

FBIS

DAILY REPORT

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FOREIGN MINISTRY SPOKESMAN GIVES WEEKLY BRIEFING

Welcomes U.S. Court Ruling

OW110910 Beijing XINHUA in English 0854 GMT 11 Mar 87

[Text] Beijing, March 11 (XINHUA) -- China welcomes the ruling by the Supreme Court of the United States on the eight-year-long Huguang Railways bearer bonds case, a Chinese Foreign Ministry spokesman said at a weekly news briefing here today.

The spokesman noted that it is reported that the Supreme Court of the United States made a ruling March 9, rejecting the petition for rehearing filed by the appellants of the Huguang Railways bearer bonds case and thus upholding the court decision of the U.S. Court of Appeals for the 11th Circuit made July 25, 1986.

"We welcome the ruling of the Supreme Court of the United States," the spokesman said, adding that "it indicates that the Huguang Railways bearer bonds case is finally closed."

Refutes U.S. Senator on Taiwan

OW110922 Beijing XINHUA in English 0910 GMT 11 Mar 87

["Foreign Ministry Spokesman Refutes U.S. Senator's Advocacy of 'Self-Determination' of Taiwan" -- XINHUA headline]

[Text] Beijing, March 11 (XINHUA) -- A Chinese Foreign Ministry spokesman today expressed deep regret over a U.S. Senator's advocacy of the "self-determination and independence" of Taiwan in his recent speech.

At today's weekly news briefing, the spokesman commented on a speech by Mr Pell, chairman of the Foreign Relations Committee of the U.S. Senate at a gathering on February 23.

"The Chinese Government has all along firmly opposed any such stuff, in words or deeds, as 'self-determination of Taiwan' or 'independence of Taiwan,'" the spokesman said. "It is a well-known fact that there is but one China. Taiwan is part of China and the government of the People's Republic of China is the sole legitimate government of China."

"The U.S. Government has explicitly recognized this position of China in the joint communique on the establishment of diplomatic relations between China and the United States," he said. "During his recent visit to China Secretary of State Shultz reaffirmed that the U.S. policy is based on the principle that there is but one China and that the United States has no intention of pursuing a policy of 'two Chinas' or 'one China, one Taiwan.'"

However, Senator Pell openly advocated the "self-determination of Taiwan" and "independence of Taiwan," the spokesman said.

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"This constitutes a gross interference in the internal affairs of China and runs counter to the principles set out in the joint communique on the establishment of diplomatic relations between China and the United States".

"We express our deep regret over this," the spokesman said.

'Optimistic' on Macao Issue

OW111040 Beijing XINHUA in English 1030 GMT 11 Mar 87

[Text] Beijing, March 11 (XINHUA) -- A Foreign Ministry spokesman reiterated here today that both China and Portugal share the common desire to settle the Macao question left over by history quickly and satisfactorily.

The spokesman said at the weekly news briefing here this afternoon that he felt optimistic about the prospects for the settlement of the Macao issue.

The date for the fourth round of talks on the Macao question is still under consultation between China and Portugal, the spokesman said, adding that a press communique will be issued as soon as any agreement is reached on the timing.

Denies Zhao Soviet Visit

HK111348 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1059 GMT 11 Mar 87

[Text] Beijing, 11 Mar (ZHONGGUO XINWEN SHE) -- "Will Zhao Ziyang visit the Soviet Union on invitation this year following his visit to Europe?" A foreign reporter raised this question at a press briefing given by the Chinese Foreign Ministry this afternoon. Answering the question, Foreign Ministry spokesman Ma Yuzhen said: "This is absolutely not true!"

Ma Yuzhen revealed that during his visit to China last year, Talyzin, deputy chairman of the USSR Council of Ministers, did deliver a letter from the chairman of the USSR Council of Ministers to Premier Zhao, suggesting the possibility of a visit by Zhao Ziyang to the Soviet Union. China's response to the proposal was that difficulties must still be resolved before Premier Zhao can pay an early visit to the Soviet Union.

U.S.-DPRK Diplomatic Efforts

OW110932 Beijing XINHUA in English 0918 GMT 11 Mar 87

[Text] Beijing, March 11 (XINHUA) -- A Chinese Foreign Ministry spokesman said here today that China hopes the United States and the parties concerned will make efforts for the relaxation of tension on the Korean peninsula.

At the weekly news briefing, the spokesman said China has taken note of the statement by the government of the United States, which allows the American diplomats to have serious conversations with the North Koreans on social occasions.

Cameroon President To Visit

OW110914 Beijing XINHUA in English 0856 GMT 11 Mar 87

[Text] Beijing, March 11 (XINHUA) -- President Paul Biya of the Republic of Cameroon will pay a state visit to China from March 25 to 31 at the invitation of Chinese President Li Xiannian.

This was announced by a Chinese Foreign Ministry spokesman at the weekly news briefing here this afternoon.

WORLD BANK TO AID INDUSTRY, AGRICULTURE

OW061112 Beijing XINHUA in English 1035 GMT 6 Mar 87

[Text] Washington, March 5 (XINHUA) -- The World Bank and its soft-loan window, the International Development Association (IDA), today announced loans totalling 470 million U.S. dollars to help China improve its industry and agriculture.

A loan of 250 million dollars from the World Bank and an interest-free credit of special drawing rights (SDR) 40.9 (50 million dollars) from IDA will go to a project designed to strengthen the country's small and medium-sized light industries.

The funds will be made available to the China Investment Bank (CIB), the country's only development finance institution in the industrial sector set up in 1981 with the help of the World Bank.

The World Bank said the funds would improve CIB's ability to mobilize foreign currency from international capital markets to provide financing for the industrial sector, which employs about 63 million people, or 13 percent of the country's total labor force. About 175 state and collective enterprises are expected to receive subloans from the CIB.

The World Bank noted the importance of China's modernization program for the industrial sector, that the sector comprises 437,000 enterprises and represents over a third of China's gross domestic product.

Meanwhile, the World Bank announced another loan of 100 million dollars to help China improve its machine tool industry in Shanghai to meet part of the country's demand for reliable and efficient machines.

The bank said most of China's machine tool industry technologies are about 20 years old and are unsuitable for precision work.

The main beneficiaries of the project will be the Shanghai Machine Tool Works and the Shanghai Machine Tool Corporation, whose combined output of machine tools accounted for about 10 percent of China's machine tool production in 1985.

China will come up with more than 120 million dollars to meet the balance of the costs for the project.

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In another project, IDA announced a credit of SDR 57.3 billion (70 million dollars) to promote agricultural development in China's Xinjiang Uygur Autonomous Region.

The project will expand the irrigated area for crop production, improve pastures and livestock development on 20 state farms in northern Xinjiang.

China's long-term objectives are to increase and diversify the food production, feed and industrial crops, and to raise incomes and employment opportunities in rural areas.

According to the bank, the project at full development will produce annually about 21,300 tons of wheat, other grains and oilseeds.

It will also produce an additional 24,000 full-time jobs and raise annual per capita incomes of farm families and employees in animal husbandry or agro-processing.

The Chinese Government and the Xinjiang Agriculture, Industry and Trade Corporation will meet the rest of the costs for the project, which is expected to cost a total of 115 million dollars.

The World Bank loans are for 20 years and carry a variable annual interest now at 7.92 percent. The IDA credits are for 50 years and interest-free.

INTERNATIONAL FOREIGN TRADE SYMPOSIUM ENDS

OW081626 Beijing XINHUA in English 1525 GMT 8 Mar 87

[Text] Shanghai, March 8 (XINHUA) -- Business transactions worth 204 million U.S. dollars were concluded during Shanghai's fifth foreign trade symposium ending today, 20 percent more than the figure for the previous symposium last year.

According to an organizing official, one salient feature of the ten-day gathering was the display of products from foreign-funded enterprises in this largest industrial city of China's.

Motorcycles produced by a Shanghai-Federal Germany-Thailand joint venture were a best seller, and computerized lifts and other products from a Shanghai-Switzerland company was [as received] also a major attraction, the official said.

Another hot item were TV sets of the "Shanghai" brand, which the official said are up to international standards.

Shanghai Radio Equipment Factory imported some key equipment for a production line designed by itself to produce the "Shanghai" TV sets.

"One purpose of the symposium was to show what we could do by using foreign technology," the official told XINHUA.

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Attending the symposium were 500 businesspersons from 49 countries and regions.

BEIJING INTERNATIONAL POWER, WATER EXPO OPENS

OW100842 Beijing XINHUA in English 0741 GMT 10 Mar 87

[Text] Beijing, March 10 (XINHUA) -- An "Electric Power and Water Expo" opened today at Beijing's China International Exhibition Center.

The expo's directory quotes Qian Zhengying, minister of water resources and electric power, as saying: "The aim of the show is to strengthen international cooperation and promote China's modernization in water conservation and electric power."

Visitors from 220 companies representing 22 countries and regions, including Argentina, Czechoslovakia, France, the Federal Republic of Germany, Sweden, Britain and the United States, are here for the occasion.

Representatives from 50,000 enterprises are expected to come to Beijing for the event, organized by China Promotion Limited and sponsored by the Ministry of Water Resources and Electric Power and Huaneng International Power Development Corporation.

Expo participants will discuss opportunities for exhibit purchases, technological transfer, and possibilities for cooperation with the firms in attendance.

U.S. SUPREME COURT AFFIRMS CHINESE BOND RULING

OW101926 Beijing XINHUA in English 1914 GMT 10 Mar 87

[Text] Washington, March 10 (XINHUA) -- The U.S. Supreme Court Monday refused to hear an appeal of a lawsuit against China by U.S. holders of Chinese railway bonds dating back to 1911, THE WALL STREET JOURNAL reported today.

The U.S. investors had demanded that China honor the Hukuang railway bonds, which were issued shortly before the 1911 revolution that ended the Qing Dynasty and established the Chinese Republic. The Chinese People's Government that came to power in 1949 refused to honor the bonds, calling them "odious debts."

The Supreme Court ruling could clear the way for China to issue bonds in the United States, the report said, as Beijing has been expressing increasing interest lately in tapping capital markets in the U.S. and elsewhere.

Eugene Theroux, a partner with the Washington law firm of Baker and McKenzie, which represents the Chinese Government, said the high court's refusal means investors "have run out of string on their claim."

A U.S. Federal court threw out an earlier default judgement that would have made the Chinese Government liable for more than 41 million U.S. dollars in payments, and a Federal Appeals Court in Atlanta upheld that ruling, saying U.S. law governing such suits can't be applied retroactively to 1911.

Theroux said the Chinese Government is still involved in two lawsuits brought by Carl Marks and Co., a New York bond dealer, over other pre-1949 bond issues. He said those suits could also be rendered invalid by the Supreme Court's action.

U.S. TO FUND TIANJIN PLANNING DEVELOPMENT

OW042113 Beijing XINHUA in English 1619 GMT 4 Mar 87

[Text] Tianjin, March 4 (XINHUA) -- The U.S. Government will offer 467,000 U.S. dollars gratuitously to cover the cost of planning for the Tianjin Economic and Technological Development Zone, officials here announced today.

It aims to enable American consultancy companies to undertake feasibility studies and appraisals for the development of the three square kilometers in the zone already opened. The zone, eventually to cover 33 square kilometers, was designated by the Tianjin Municipal Government to attract foreign investment and technology.

An agreement was signed Monday on the spending between a representative of the U.S. Department of Commerce and a senior administration official of the zone.

The studies will cover the infrastructure facilities already built in the three square kilometer area and the investment environment there, and the American consultancy companies will also advise on the construction plan for the entire zone.

These companies will help publicize the zone among American entrepreneurs and help them start joint venture businesses there, the city officials added.

The Tianjin Development Zone Authority will examine the applicants and decide which to be chosen through bidding.

Three American consultancy companies have already sent people here to see the possibility of participating, and one has applied for tendering the bidding.

MOST U.S. INVESTORS PLEASED WITH PRC OPERATIONS

OW070610 Beijing XINHUA in English 0228 GMT 7 Mar 87

[Text] Beijing, March 7 (XINHUA) -- A survey of 70 United States firms which have made investments in China shows that 90 percent of them will do it again, according to today's "ECONOMIC DAILY".

The survey was conducted by A.T. Kearney, a famous international management company in the United States. And the survey report will be published later this month.

U.S. investors were asked to comment on nine aspects of China's investment environment, including the country's foreign policy, legal guarantee, taxes, labor prices, productivity, and water and electricity supplies.

Most of those interviewed say they consider four aspects of doing business here "very good" or "good" and half of them say the same to another three. "However, more than 60 percent of the interviewees say they agree that China's transportation and communications services, as well as water and electricity supplies, are yet to be improved," the paper said.

The survey also shows that half of the U.S. firms regard their own operations in China as "very good" or "good", 44 percent then say their results are "so-so" and six percent say their ventures in China are "unsuccessful."

The paper quoted a leading official of the Chinese Ministry of Foreign Economic Relations and Trade as predicting that foreign firms will be active in investing in China this year. "In addition to developed countries, I think, other socialist countries are also likely to invest in China," he added.

COMMENTARY DENOUNCES SUPPRESSION IN SOUTH KOREA

SK110635 Beijing International Service in Korean 1100 GMT 9 Mar 87

[Unattributed commentary: "The South Korean Authorities Are Intensifying Suppression of Opposition Forces and Students"]

[Text] This year, the South Korean authorities have further intensified suppression of opposition forces, and students who oppose dictatorship and want to achieve democracy, by mobilizing police forces. This type of suppression can be seen in the handling of a recent incident in which a student died from the South Korean authorities' suppression.

In January this year, the South Korean police seized student Pak Chong-chol, who was arrested for participating in an antigovernment demonstration and, moreover, threw him into a bathtub filled with water. As a result, student Pak Chong-chol died from suffocation.

This incident has invoked surging indignation among opposition forces and students. Enraged opposition forces and students have held various functions to protest this type of inhumane act. The South Korean authorities have thus taken stern measures to suppress by force this type of protest activity.

The New Korea Democratic Party [NKDP] and some dissident groups decided to hold a memorial service on 3 March, the 49th day after the death of student Pak Chong-chol, and to stage a peaceful silent demonstration. As soon as this decision was announced, the South Korean authorities immediately declared the rally illegal. They announced that participation would have serious consequences. After this, the South Korean authorities proclaimed 28 February to 4 March as a state of emergency period under martial law, and issued orders to police stations throughout the country to execute martial law under the state of emergency.

In a measure to prevent this memorial service, the South Korean authorities arrested approximately 2,000 people from all walks of life beforehand, investigated some 105 universities, and placed some 30 social figures, including Kim Tae-chung, under house arrest.

Furthermore, by mobilizing approximately 30,000 police on the very day of the memorial rally, the South Korean authorities surrounded one of the cathedrals in Seoul, the site of the memorial rally, and broke up the participants in the rally after firing tear gas. More than 799 demonstrators, most of them students, were arrested by police during a collision between the police and demonstrators.

The memorial service was not successful because of the South Korean authorities' suppression. However, the opposition party and students have not surrendered to the South Korean authorities' strong suppressive measures.

Students at major universities, including Seoul National University, on 3 March staged demonstrations on their campuses and, furthermore, some of them rushed to the streets and even staged street demonstrations.

Meanwhile, Kim Yong-sam, permanent standing adviser of the NKDP, has said that realizing democracy is the will of the masses that cannot be suppressed by anyone. At the same time, Kim Tae-chung has warned that the authorities should take full responsibility for all incidents arising from suppression.

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Now, all universities in South Korea have begun their new school semesters. It is anticipated that the struggle by the opposition forces and students resisting the authorities' violent suppression will be further intensified.

ECONOMIC COOPERATION WITH JAPAN IMPROVES

Shenzhen Seeks Ties With Japan

OW050440 Beijing XINHUA in English 0247 GMT 5 Mar 87

[Text] Shenzhen, March 5 (XINHUA) -- The Shenzhen-Japanese Economic Cooperation Committee will introduce more Japanese companies to Shenzhen in a bid to improve economic cooperation between the two industrial centers, according to the second meeting of the committee earlier this week.

The committee was set up last November when Shenzhen Mayor Li Hao visited Japan. Eight large Japanese companies such as the Daiwa Securities Co. Ltd. and Hokkaido Tokai Bank Ltd. formed the committee.

At the meeting about 11 Japanese economic experts, an official from the Shenzhen City Government in charge of the economy and local enterprise managers discussed how to increase Japanese investment in Shenzhen and to increase the city's exports to Japan.

To date Japanese companies have invested in 37 projects in Shenzhen totaling nearly 100 million U.S. dollars. Four of the 12 foreign banks opened in Shenzhen are Japanese banks.

Open Policy Seen Stable

OW280806 Beijing XINHUA in English 0747 GMT 28 Feb 87

["'China, Ideal for Investment' -- Japanese Manager" -- XINHUA headline]

[Text] Beijing, February 28 (XINHUA) -- China is a reliable place for long-term investment, even though its current investment climate is incomplete, the Japanese manager of a Sino-Japanese joint venture said in Beijing.

Yoshihiro Akita heads the Beijing Wacoal Company, which manufactures women's lingerie and is a joint venture between the Wacoal Company, a Japanese firm, and Beijing's Hongdu Garment Company.

The company, established in April last year, involved an investment of 800,000 U.S. dollars, and produces 150 different products.

"China's continuing economic progress, reflected by the latest statistics released by the Chinese Government, illustrate the country's stable economic development," the manager said.

"Offering a vast investment market, China is capable of controlling overall conditions to suit its own steady progress," he told XINHUA today.

"I firmly believe there will be no change in China's open policy, and hope to see more foreign investors come to China to create more competition," he said.

He also acknowledged the difficulties foreign investors meet in China, such as poor work efficiency and differences in production targets set by Chinese managers.

"The key to resolving these problems lies in trust, consideration and understanding among the partners, and a sincere and down-to-earth cooperative spirit," he said.

He also offered advice to his foreign counterparts, saying foreign business people will probably be disappointed if they expect to earn profits at the very beginning of their operation in China. "We will achieve better economic efficiency in the long run and should not focus too much on current interests," he added.

Beginning this year, the Beijing Wacoal Company will concentrate on improving production capacity by also manufacturing men's undergarments and seek marketing and production partners, he told XINHUA.

OFFICIAL MEETS WITH JAPANESE WOMEN'S DELEGATION

OW021931 Beijing XINHUA in English 1533 GMT 2 Mar 87

[Text] Beijing, March 2 (XINHUA) -- Lei Jieqiong, vice-chairman of the Chinese People's Political Consultative Conference National Committee, met a Sino-Japanese women's friendly exchange delegation here today.

Lei, who is also vice-president of the All-China Women's Federation (ACWF), expressed her warm welcome to the visiting delegation led by Tenkoko Sonoda, president of the federation of various women's unions of the Japanese Liberal Democratic Party and wife of the late Japanese Foreign Minister Sunao Sonoda.

After the meeting, the ACWF gave a banquet in honor of the visiting delegation. Zhang Guoying, vice-president of the ACWF, and Tenkoko Sonoda made speeches at the banquet.

With more than 200 people of different professions, the delegation will give arts exhibitions and musical performances in China.

Divided into four groups, the Japanese guests will visit Shanghai, Nanjing, Suzhou and Xi'an.

XINHUA URGES SRV WITHDRAWAL FROM CAMBODIA

OWO21251 Beijing XINHUA Domestic Service in Chinese 0930 GMT 28 Feb 87

[Text] Beijing, 8 Feb (XINHUA) -- Commentary by XINHUA reporter Tang Tianri: Vietnam's Attempts To Get Out of the Quagmire.

After the Sixth CPV Congress, it seems that the Vietnamese authorities want very much to get out of the quagmire of the Cambodian battleground in order to extricate themselves from their predicament at home and abroad. But how? They are finding it impossible to solve the Cambodian issue by military means, and are unwilling to take the realistic and feasible approach contained in the eight-point proposal of the Coalition Government of Democratic Kampuchea [CGDK]. Recently there have been indications that Vietnam is pinning its hopes on the growing strength of the Heng Samrin regime and army which it supports, hoping to find a solution this way.

Recently, Vietnam's NHAN DAN, QUAN DOI NHAN DAN, and other mass media published articles on the occasion of the eighth anniversary of the "treaty of peace, friendship and cooperation" between Hanoi and the bogus Phnom Penh regime, claiming that the Heng Samrin regime "has overcome all difficulties and withstood all tests", that "governments from the central to the grass-roots levels are more consolidated," and that "the armed forces are growing stronger." NHAN DAN's article, in particular, lavished praise on the strength of the Heng Samrin regime, saying "it is stronger than ever" and "the situation in Cambodia is irreversible." Vietnam's smug calculation is that by 1990 the Heng Samrin regime, with Vietnam's vigorous support, would control the entire Cambodian situation and take over military operations throughout the entire battleground. By that time, the Cambodian issue would "disappear by itself" and Vietnam could withdraw all its troops from Cambodia.

In order to achieve this goal, responsible persons of the political departments of the armies of Vietnam, Laos, and the bogus Cambodian regime recently held a meeting in Phnom Penh. The meeting decided to promote the "special combat alliance" between their armies, strengthen their unity and cooperation with the Soviet Union, and make common efforts to improve the "political quality" and enhance the "combat worthiness" of their armies in order to "be ready for battle at any time." Observers in Hanoi noted that the participation of Nguyen Quyet, secretary of the CPV Central Committee and director of the General Political Department of the Vietnamese People's Army, in the meeting reflected Vietnam's desire to further increase Heng Samrin regime's military strength.

In addition, recent diplomatic efforts of the Vietnamese authorities centering around the Cambodian issue aimed at emphasizing the influence and role of the Heng Samrin regime, allowing it to climb the stage while they themselves hide behind it. In late October last year, Vietnam sent a message through the Austrian foreign minister to Samdech Nordom Sihanouk, the CGDK president, proposing that talks be held between the three factions of the CGDK on one hand and the Heng Samrin regime on the other. On 7 January this year, Vietnam instructed the Phnom Penh puppet to issue a statement, suggesting that talks be held between the Heng Samrin regime and the CGDK. In mid-January, Vietnam again sent similar messages to Samdech Norodom Sihanouk, the CGDK president, through other channels. The essence of this "peace talks" proposal from Vietnam is to turn the war in Cambodia from a war of aggression and counteraggression into a civil war, so as to gain international recognition of the status quo in its aggression against Cambodia, and have the Heng Samrin regime legalized.

Vietnam has resorted to propaganda, diplomatic, and military means to strengthen Heng Samrin's authority and position for the purpose of establishing a coalition government with the Heng Samrin regime as the mainstay and under Vietnam's control.

To gain international sympathy and recognition, it intends to bring representatives of the three factions of Democratic Kampuchea into the coalition government to serve as window dressing. In this way, Vietnam will be able to preserve the "fruits" of its aggression against Cambodia and incorporate the country into its "Indochinese confederation."

Reality shows that this way out conceived by Vietnam is as unfeasible as the military way to solve the Cambodian issue. Since the tripartite anti-Vietnamese patriotic forces of Democratic Kampuchea launched their operations deep in the heart of Cambodia, contradictions have widened between the Heng Samrin troops and local government officials on the one hand and the occupying Vietnamese army on the other; mutinies and defections, and clashes between officers and men of the bogus troops and the Vietnamese Army due to national and family animosity have frequently been reported; and many bogus military and government officials have directly cooperated with and helped the anti-Vietnamese troops in launching surprise attacks on the Vietnamese Army. Vietnam's claim that the Heng Samrin regime is "stronger than ever" and "the Cambodian situation is irreversible" is nothing but a propaganda gimmick. The suggestions made by Vietnam through various channels for talks between the Heng Samrin regime and the tripartite CGDK have been repeatedly and resolutely rejected and opposed by the CGDK headed by Norodom Sihanouk, who has pointed out that the Cambodian issue is not an internal Cambodian affair, but a question of aggression and occupation of Cambodia by Vietnamese troops. Therefore, a precondition for any talks should be the withdrawal of Vietnam's troops from Cambodia, and the talks should be held between a CGDK delegation and the Vietnamese government which is occupying Cambodia.

If Vietnam really wants to get out of the quagmire of its war of aggression in Cambodia, it should not just change its tactics or strategy, but fundamentally revise its policies, accept the eight-point proposal of the CGDK, hold talks with the CGDK, and withdraw its troops from Cambodia. This is the only way out.

LI PENG MEETS AUSTRALIAN TRANSPORT MINISTER

OWO20912 Beijing XINHUA in English 0904 GMT 2 Mar 87

[Text] Beijing, March 2 (XINHUA) -- Chinese Vice-Premier Li Peng met Australian Minister for Transport Peter Morris and his party here today.

Present were Chinese Minister of Communications Qian Yongchang, Director-General of the Civil Aviation Administration of China (CAAC) Hu Yizhou and Australian Ambassador to China Ross Garnaut.

The Australian visitors arrived here Sunday as guests of the Chinese Communications Ministry and CAAC. While in China, they will exchange views with their Chinese counterparts on expanding communications and transport cooperation between the two countries.

INDIA-PAKISTAN BORDER TENSION PROMPTS COMMENTS

Afghan Bombing Condemned

OW060708 Beijing XINHUA in English 0702 GMT 6 Mar 87

[Text] Beijing, March 6 (XINHUA) -- China today condemned the recent bombing of Pakistan border areas by the Afghan authorities.

A Chinese Foreign Ministry spokesman noted that "recently, the Afghan authorities have repeatedly dispatched planes to bomb the border areas of Pakistan, killing and wounding several hundred innocent Pakistan civilians."

The spokesman said the Chinese Government sternly condemns such acts of intruding into other country's territory and killing innocent civilians."

"We support the just position taken by the Pakistan Government in this regard," the spokesman said.

XINHUA 'Feature' Views Tension

OW061014 Beijing XINHUA in English 0846 GMT 6 Mar 87

["Feature: Relief to Lahore's Agony -- (by Li Jiasheng)" -- XINHUA headline]

[Text] Islamabad, March 6 (XINHUA) -- A vast land of glossy dark green wheat seedlings and herds of cattle and buffaloes repeatedly came in sight on the way from Islamabad to Lahore, Pakistan's second largest city, which has just found relief from the agony caused by the tension in the border in the past few weeks.

Lahore, only 20 minutes of westward drive from the Pak-Indian border, has become a barometer of Pak-Indian relations.

On the morning of February 28, this correspondent left Islamabad for Lahore, which is the capital city of Punjab, the country's richest province. Like India's East Punjab, it is known as a granary for its abundance of wheat and rice.

After nearly two hours' drive, I suddenly caught sight of a large number of dark green military vehicles full of troops passing by from the opposite direction. They were followed by a long line of armored cars carrying various weapons. They were probably part of the Pakistan troops recently pulled back from the border.

The troop withdrawal, beginning from February 12, was in accordance with an agreement reached between the two countries in New Delhi on February 4. Some 170,000 troops had been withdrawn by February 19.

The officials of the two countries restarted their discussions in Islamabad, Pakistan on February 27 to find ways and means to further ease their border tensions. Troops were amassed from both sides of the border at the end of last year. As the war cloud was gathering, Lahore was shrouded in anxiety. In spite of measures taken by the two governments in recent years to improve their relations, misunderstanding and mistrust remain the main obstacle to the normalization process due to the three wars they have fought since 1947 and long-standing religious conflicts.

The whole city of Lahore was already permeated with a festive atmosphere when his correspondent arrived there at noon. Streamers of "National Horse and Cattle Show, 1987" were hung across the high street and colored flags fluttered in the breeze. The annual show would start the next day, March 1, at the Fortress Stadium. Pakistan President Mohammad Ziaul Haq was to inaugurate the show and present awards to the winners.

Apart from the horse and cattle show, there will be a big variety of recreational and sports activities such as displays of mass calisthenics by schoolchildren, cavalcade and floats, greyhound races, folk dancing, horse and camel dancing, polo and a helicopter show. Drawing many spectators from all over the country and abroad, the annual show has never been suspended except for war times.

Hotels in the city had full houses. A manager of the international hotel told XINHUA that "we were much worried that Pakistan and India would fight again a few days ago. In that case you can't have any horse and cattle show. But now the sun has come out of the cloud."

A university student said: "We support the peace policy pursued by the government. Pakistan and India as neighbors should live peacefully." A Pakistan employee working in the U.S. Consulate in Lahore said that it would benefit [neither] of the two countries if war broke out between Pakistan and India. To avoid the crisis, Pakistan sent its Foreign Secretary Abdus Sattar to New Delhi to meet his counterpart A.S. Gonsalves. After five days of discussions, both sides agreed to pull back or pull out their troops from the border areas in the northern sector. Besides, they also pledged not to attack each other. The agreement has been widely appreciated by the world community.

The horse and cattle show lasted for five days and evenings. When it entered its second day, the foreign secretaries of the two countries in Islamabad signed another agreement to withdraw their forces from two other sectors of their border areas to further de-escalate the tensions between the two countries. This news added to the strong festive atmosphere at the ongoing national horse and cattle show in Lahore.

DELEGATION SEEKS IMPROVED TRADE WITH INDIA

Departs for New Delhi

OW061626 Beijing XINHUA in English 1522 GMT 6 Mar 87

[Text] Beijing, March 6 (XINHUA) -- A delegation from the China Council for the Promotion of International Trade led by its President Jia Shi left here today for a friendly visit to India at the invitation of the Federation of India Chambers of Commerce and Industry.

The delegation will explore with Indian industrialists the issue of how to further develop the Sino-Indian economic cooperation and trade.

Joint Ventures Welcome

OW091649 Beijing XINHUA in English 1608 GMT 9 Mar 87

[Text] New Delhi, March 9 (XINHUA) -- China welcomes Indian industrialists to set up Sino-Indian joint ventures in China's four economic zones and 14 coastal cities, sources of a visiting Chinese trade delegation told XINHUA here today.

The delegation of the China Council for Promotion of International Trade (CCPIT) led by its chairman Jia Shi is on a visit here at the invitation of the Federation of Indian Chambers of Commerce and Industry (FICCI).

During a discussion with the CCPIT delegation today, the FICCI produced a study which identified potential areas for industrial collaboration between the two countries, the sources said.

The areas include automobiles, machine tools, transformers, thermal power station abestos, cement sheets, pumps for irrigation, textile machines, garments, chemicals and pharmaceuticals, and chlorine.

The FICCI also expressed interest in importing raw silk, edible and vegetable oils, dye-stuffs, industrial raw materials, plastic materials, chemicals, non-ferrous metals and wood pulp from China, the sources added.

Meanwhile, they said, the Indian side urged China to import more Indian goods, such as iron ore, chrome ore, tea and tobacco, to correct the "heavy trade imbalance" against India.

India also proposed a "counter trade" measure as means to offset the trade deficit, under which China would be obliged to spend 50 to 75 percent of its export earnings from India to buy Indian goods, they added.

But the Chinese side stressed that bilateral trade could be increased substantially when the two sides have better knowledge of each other's market and of what the other can offer.

The CCPIT sources said two-way trade between India and China stood at 100 million U.S. dollars in 1986 in China's favor. During the year, China imported goods from India worth 25 million dollars while exported goods worth 75 million U.S. dollars.

Both sides agreed that new effort should be made to increase bilateral trade, the sources said.

They said a FICCI delegation had been invited to visit China shortly to continue the discussions on the development of trade and economic cooperation.

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PARIS EMBASSY DENIES PRC STUDENTS SEEKING ASYLUM

OW110224 Beijing XINHUA in English 0216 GMT 11 Mar 87

[Text] Paris, March 10 (XINHUA) -- A Chinese diplomat today dismissed press reports that a number of Chinese exchange students have asked for political asylum as sheer rumor.

The students endorse socialism and the current policy of their country and many of them were angry when they heard the rumors, said Wang Zhongda, counsellor for education in China's embassy here.

Wang said his office contacted French authorities and found the reports were completely groundless.

Some Paris newspapers reported recently that the Chinese students are seeking asylum.

Chinese students in France, either sponsored by the state or on their own, are trusted by the government, Wang said.

Some leaders of the "All Chinese Students Association in France" expressed their indignation and said the rumors must be cleared up.

FRG NAVAL DELEGATION VISITS QINGDAO 9 MAR

SK110422 Jinan Shandong Provincial Service in Mandarin 2300 GMT 10 Mar 87

[Text] On the morning of 9 March, Vice Admiral (Hanxi Yueqimuman), inspector general of the FRG Navy, paid a friendly visit to Qingdao by a special plane.

At 1400, accompanied by Ma Xinchun, commander of the North China Sea Fleet, Vice Admiral (Hanxi Yueqimuman) visited a certain submarine detachment stationed in Qingdao.

When the vice admiral saw the orderly naval honor guards and the well-balanced lineup on the submarine, he praised the sailors, saying: China's Navy is good. I have never seen such a well-balanced lineup on a submarine in the FRG.

After the visit, the vice admiral wrote an inscription reading: With a sense of pride and gratefulness, I open the visitors' book of this glorious and militant submarine. I wish the captain and the submarine crew peaceful navigation forever and hope that they will be prepared against war at all times and contribute to safeguarding the great cause of peace.

In Qingdao, the vice admiral also visited a certain Navy submarine academy and the Qingdao Brewery.

BRIEFS

PRC AMBASSADOR TO PORTUGAL -- Beijing, 7 Mar (XINHUA) -- Fernando Amaral, president of the Portuguese Assembly of the Republic, met with and had a cordial and friendly conversation with Chen Ziyang [7115 3320 5391], new Chinese ambassador to Portugal, on 6 March in the Assembly Building, according to a dispatch from Lisbon. In the conversation, Amaral expressed willingness to further the friendly relations and cooperation between the two countries. [Summary] [Beijing XINHUA Domestic Service in Chinese 0724 GMT 7 Mar 87 OW]

WU XUEQIAN WINDS UP CSSR VISIT; GIVES INTERVIEW

LD101904 Prague Domestic Service in Czech 1730 GMT 10 Mar 87

[Text] Wu Xueqian, member of the CPC Central Committee Political Bureau and of the PRC State Council and PRC minister of foreign affairs, ended his official visit to our republic today. Prior to his departure by air, he granted Czechoslovak radio and other media an interview which is now presented by our editor Tomas (Hodlacky):

[Begin recording] [Hodlacky] Asked how he assessed the results of his visit and the results of his talks with our officials, Minister Wu Xueqian replied as follows:

[Wu Xueqian, in Chinese fading into Czech translation] I consider my visit successful and I am very satisfied with the results. I had talks with your Foreign Minister Bohuslav Chnoupek, and I had the honor to be received by President Gustav Husak and Premier Lubomir Strougal. Both the meetings and the talks took place in a very friendly, sincere, and comradely atmosphere. Thanks to this, the talks were very fruitful. From the talks with the leading Czechoslovak representatives it emerges that we have many points of contact on international matters. Some of our views are close, some -- perhaps in view of our different circumstances -- are different, but we both respect the views of the other party.

[Hodlacky] As far as economic matters are concerned, the Chinese minister stressed the need to take measures, in the interests of the development of the socialist economy, aimed at developing as fully as possible the advantages of the socialist system. He pointed out that both our countries have the common feature that they are pursuing the path of socialism under the leadership of their communist parties, and that they are working for all-round development. In this context, he stated that as a man who had had the opportunity to spend a whole year in Prague 37 years ago, he had been able to see for himself during the current visit the enormous development Czechoslovakia had achieved in industry and agriculture and the rise in the people's living standards.

The second question concerned prospects for further development of relations between Czechoslovakia and China. Wu Xueqian emphasized, among other things:

[Wu Xueqian] I have a very optimistic attitude with regard to the prospects for the development of Czechoslovak-Chinese relations. We have great reserves in all spheres. In the last few years, our bilateral relations have considerably developed. This is manifested by the many agreements signed, among them, for example, a 5-year commercial agreement. Since Czechoslovakia is a country with advanced industry and China is a developing country, striving for the advancement of its industrial and agricultural production, bilateral relations will develop further and on a large scale in the future. Through cooperation, we can complement each other a lot. What we need you have and what you need we have on at disposal. Therefore, we must continue to develop cooperation in all spheres and reinforce mutual contacts.

[Hodlacky] In this context, Minister Wu Xueqian stressed that Comrade Lubomir Strougal will visit China in April and the highest Chinese party representative, Premier Zhao Ziyang will visit Czechoslovakia in June. He said, at the same time, that China is also looking forward to the visit of Comrade Gustav Husak.

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At the conclusion of the interview, he expressed the conviction that this year will be the year in which the Czechoslovak-Chinese relations achieve considerable progress and enter a new stage. [end recording]

WU XUEQIAN PAYS FIRST OFFICIAL VISIT TO POLAND

OW101935 Beijing XINHUA Domestic Service in Chinese 1603 GMT 10 Mar 87

[Text] Warsaw, 10 Mar (XINHUA) -- At the invitation of Polish Minister of Foreign Affairs Marian Orzechowski, PRC foreign Affairs Minister Wu Xueqian arrived here by plane at noon today to begin his 4-day official visit to Poland.

Foreign Affairs Minister Orzechowski greeted Foreign Minister Wu Xueqian and his entourage at the airport.

Also on hand at the airport were Chinese Ambassador to Poland Wang Jinqing and other diplomats of the Chinese Embassy.

This is the first official visit to Poland by a Chinese foreign minister.

The Chinese and Polish peoples have traditional and friendly relations. Even during difficult moments the two countries have supported each other. Relations have developed rapidly in recent years. The working visit to China last year by W. Jaruzelski, first secretary of the Polish United Workers' Party and chairman of the Council of State, pushed the two countries' relations to a new stage. Before and after that visit, the exchange of visits between Chinese Vice Premier Li Peng, and Wang Renzhong, vice chairman of the NPC Standing Committee, to Poland; and R. Malinowski, chairman of the Polish parliament; Vice Premier M. Gorywoda; and Jan Dobraczynski, chairman of the Patriotic Movement for National Rebirth, to China have also enhanced the development of relations between the two countries. In 1984, the trade between the two countries amounted to 460 million Swiss Francs. Under an agreement, trade between the two countries will reach 1.27 billion Swiss Francs in 1987. The two countries' cultural, scientific, and technological contacts have also been increasing day by day.

NPC STANDING COMMITTEE OPENS 20TH SESSION

OW101400 Beijing XINHUA Domestic Service in Chinese 0825 GMT 10 Mar 87

[Text] Beijing, 10 Mar (XINHUA) -- The 20th Session of the 5th NPC Standing Committee began this morning at the Great Hall of the People. This is a Standing Committee session held prior to the Fifth Session of the Sixth NPC scheduled to open in Beijing on 25 March.

Chairman Peng Zhen presided at today's meeting. It first heard a briefing by Wang Hanbin, secretary general of the NPC Standing Committee, on the draft agenda for the current session. The draft agenda was then approved by the members. According to the agenda, the main task of the current Standing Committee session will be to examine the relevant draft laws and discuss and decide on those matters concerning the convocation of the Fifth Session of the Sixth NPC.

Lei Jieqiong and Song Rufen, vice chairmen of the NPC Law Committee, respectively presented reports on the conclusion of the examination of the draft regulations governing the organization of villagers' committees and on the conclusion of the examination of the draft law of the PRC on state-owned industrial enterprises.

In his report on the Law Committee's conclusion of the examination of the draft law on the state-owned industrial enterprises, Song Rufen said: The Law Committee felt the Enterprise Law is an important law and it is very necessary to adopt the law as early as possible. The draft was considered to be basically acceptable, but the Law Committee has proposed some revisions. He said the Law Committee proposed that it be examined by the NPC Standing Committee before submitting it for examination by the Fifth Session of the Sixth NPC.

Liao Hansheng, vice chairman of the NPC Standing Committee and chairman of the Credentials Committee, made a report in the meeting on the examination of the credentials of the NPC Deputies elected in the by-elections. He said: Since the 18th Session of the 6th NPC Standing Committee, four of the 6th NPC Deputies have died and three others recalled by the units that originally elected them, which required the election of seven deputies. This, plus the 15 vacancies that resulted from either deaths or recalls before the 18th Session that were yet to be filled, required the total election of 22 deputies. Now 15 vacancies have been filled through by-elections held by the units where the original elections were held, and 7 more deputies are still to be elected by the original units. The Credentials Committee has examined the credentials of the 15 deputies produced through the by-elections and fully concurred on the validity of these credentials. Liao Hansheng said that the Sixth NPC now has a total of 2,971 deputies.

The meeting heard a report made by Minister of Justice Zou Yu on the implementation in 1986 of the "Resolution on Achieving Basic Popularization of Common Knowledge of Law Among the Citizens" adopted at the 13th Session of the 6th NPC Standing Committee. The report dealt with two subjects: the progress made in 1986 in popularizing common knowledge of law; and the plan proposed for the 1987 popularization work. When discussing the first subject, Zou Yu said: After a year's effort, there has emerged a dynamic situation in which those in the industrial, agricultural, commercial, and educational sectors as well as those in the Army, government, and party are enthusiastically gaining legal knowledge. According to incomplete estimates, around 750 million people in China have the ability to absorb this knowledge. In 1986, approximately 300 million people received education in the legal field, accounting for about 40 percent of the people targeted for its popularization.

As for this year's popularization work, he said: Education concerning the Constitution should be the central task, and cadres and young people should be the focus of our attention for education in the legal field. While continuing to popularize legal knowledge in the cities, it is necessary to gradually carry out the popularization work in the countryside. The popularization work should develop in a balanced way both in schools and in various other fields.

Yu Wen, vice chairman of the NPC Nationalities Committee, made a report in the meeting on the conclusion of the examination of the proposals made by the NPC deputies and referred by the Presidium of the Fourth Session of the Sixth NPC for examination. He said: A total of four proposals were referred by the Presidium of the Fourth Session of the Sixth NPC to the Nationalities Committee for its examination. In view of the fact that some of the problems raised in these four proposals have been resolved and the other unresolved problems come under the authority of the State Council, none of these four proposals need be included in the agenda of the NPC or the NPC Standing Committee. They can be referred to the State Council and the concerned departments for their handling.

The meeting also distributed the "Decision on the Number and Election of the Deputies to the Seventh NPC (Draft)," "Agenda for the Fifth Session of the Sixth NPC (Draft)," "Namelist of the Presidium and Secretary General of the Fifth Session of the Sixth NPC (Draft)" and "Report on the Work of the NPC Standing Committee" for members to examine.

Present at the meeting were Vice Chairmen Chen Pixian, Wei Guoqing, Geng Biao, Peng Chong, Wang Renzhong, Ngapoi Ngawang Jigme, Banqen Erdini Qoigyil Gyancan, Zhou Gucheng, Yan Jici, Ye Fei, Huang Hua and Chu Tunan.

Present as nonvoting members were Qiao Shi, vice premier of the State Council; Zheng Tianxiang, president of the Supreme People's Court; and Yang Yichen, chief procurator of the Supreme People's Procuratorate.

Justice Minister Gives Report

OW101540 Beijing XINHUA in English 1506 GMT 10 Mar 87

[Text] Beijing, March 10 (XINHUA) -- Nearly 300 million Chinese citizens studied China's laws in 1986, accounting for 30 percent of the country's total population, Minister of Justice Zou Yu said here today.

"The large numbers of people who took part in the studies, their high enthusiasm and the good results have rarely been seen for many years," Zou said in a report to the 20th meeting of the Sixth National People's Congress Standing Committee which opened here this morning.

A resolution from the Standing Committee adopted at the end of 1985 called on citizens to become more knowledgeable about the country's laws within five years beginning 1986.

In 1986, local governments and various departments throughout the country began a wide-ranging program to popularize laws among cadres, he said.

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According to initial statistics, 90 percent of provincial and municipal leaders, 84 percent of all cadres at the prefectural and city level and 81 percent of the cadres at the country level participated in the studies.

More than 90 percent of all central government officials also took part in the studies.

At the same time, the program was carried out in all government offices, enterprises, rural areas, schools and in the Army and the police forces, the minister told members of the NPC Standing Committee.

The drive has not only enabled cadres and the masses to acquire some knowledge of laws, but strengthened their sense of doing things according to the law, he said.

By the end of September 1986, more than 30,000 government institutions, people's organizations and enterprises had invited lawyers to serve as their legal consultants, more than 9,000 enterprises set up lawyer's offices and over 15,000 towns established legal service organs.

After studying China's laws, economic departments and large and medium-sized enterprises in particular, have achieved many results in raising economic returns and improving management.

All newspapers, magazines, radio stations and TV stations at the provincial level have set up legal columns, and 93 national publications specialized in legal reporting have been launched.

However, the minister pointed out that greater effort should be made to popularize knowledge of laws because some 60 percent of all citizens in the country and 83 percent of all the peasants have not yet studied law.

He urged all localities and departments to study and implement a decision of the NPC Standing Committee made last month on strengthening legal education and maintaining social stability.

In 1987 the law program should focus on the study of the Constitution. Priority should continue to be given to cadres and youths. While a good job has been done in urban areas, more attention should be given to rural areas, so that the drive will develop in a balanced way, Zou said.

Rules for Villages Reviewed

OW110153 Beijing XINHUA Domestic Service in Chinese 0844 GMT 10 Mar 87

[Text] Beijing, 10 Mar (XINHUA) -- At the 20th session of the 6th NPC Standing Committee today, Lei Jieqiong, vice chairman of the NPC Law Committee, reported the NPC Law Committee's examination of the regulations governing the organization of villagers' committees. She said: The Law Committee maintains that perfecting the villagers' committees is significant for promoting socialist democracy in the rural areas. Regulations governing the organization of villagers' committees are essential, and the draft law is in the main feasible. She also expressed the committee's views on amending the draft.

Lei Jieqiong said: On the basis of the views of the NPC Standing Committee, and the relevant departments of various provinces, autonomous regions, municipalities directly under the central government, and the central authorities, the NPC Law Committee met on 2 and 7 March to examine the draft regulations governing the organization of villagers' committees.

She said: According to some committee members, the responsibilities prescribed in the draft are too heavy for the villagers' committees, and they are at variance with the Constitution, which provides that villagers' committees are mass organizations of self-management. Thus, they propose that, in accordance with the Constitution, the draft article be amended to read:

"The responsibilities of the villagers' committees are:

1. To manage local public affairs and social services;
2. To mediate civic disputes;
3. To assist in maintaining public order; and
4. To convey residents' opinions and demands and make suggestions to the people's government."

She said: Some committee members and local officials propose that, for the sake of self-management, villagers' committees should generally be set up in natural villages. Thus, they propose that the draft should have this addition: Villagers' committees should be set up in natural villages. On the basis of the villagers' will, a villagers' committee may be set up by several natural villages, and a large natural village may have several villagers' committees."

She said: The draft prescribes that a villagers' committee "formulates village rules and supervises their implementation." Some committee members and local authorities propose that village rules should be discussed and drawn up by villagers' meetings, and that village rules should conform to the Constitution, laws, and regulations. For this reason, they propose that this article be included: "Village rules shall be discussed and drawn up by a villagers' committee and reported to the people's governments of township, nationalities township, and town for the record; and they shall be implemented under the supervision of the villagers' committee. The village rules shall not contradict the Constitution, laws, and regulations."

Lei Jieqiong said: The NPC Nationalities Committee and some members of the Law Committee propose that this clause be included in the draft: "In multinational villages, the villagers' committees should educate the villagers to strengthen national solidarity, help each other, and respect each other."

She said: Some committee members propose that measures be taken to prevent various government departments and units from assigning work to villagers' committees. Thus, they propose that the draft be amended to read: "With the exception of accepting the guidance of people's governments of township, nationalities township, and town, villagers' committees are authorized to reject undertaking assignments handed down by any organ, group, enterprise, or institution."

She said: Some committee members and local authorities propose that this clause be added to the draft: "The Standing Committee of people's congresses of provinces, autonomous regions, and municipalities directly under the central government may draw up implementation measures in accordance with these regulations."

VETERAN CADRES 'EXPECTED TO MAKE COMEBACK'

HK100315 Hong Kong SOUTH CHINA MORNING POST in English 10 Mar 87 p 8

[By Terry Cheng]

[Text] A number of semi-retired veteran cadres are expected to make a come-back to the top leadership ranks of the Communist Party at its 15th national congress in autumn.

However, their plans are not proceeding without resistance from the Prime Minister, Mr Zhao Ziyang, who in his capacity as the party's acting general secretary, is trying to consolidate his own position.

The strongest indication of the old guard's planned comeback is a revival of the concept of the "three-in-one combination" of the old, middle-aged and young in the party leadership.

The concept was an organisational principle advanced by Chairman Mr Mao Zedong and Mr Lin Biao in a successful bid to seize power from the incumbents. Revolutionary committees at various levels were set up comprising the three groups of leaders.

Mr Bo Yibo, the permanent vice-chairman of the Central Advisory Commission headed by Mr Deng Xiaoping, brought up the subject again during an inspection tour of Tianjin last month.

The NEW CHINA NEWS AGENCY quoted him as praising the city's efforts of using young cadres while fully utilising the talents of older ones -- the practice of combining the old, middle-aged and the young.

This contrasts with leadership rejuvenation advocated by reformists in the past few years. During his tenure as the party general secretary, Mr Hu Yaobang promoted a large number of cadres on their merits of being young, professional, revolutionary and better educated.

Between 1982 and 1985, nearly 1,270,000 officials retired, and an estimated 469,000 young and middle-aged officials were promoted to senior posts at county level and above.

A re-organisation of the party centre took place in September 1985 when a quarter of the Central Committee's 210 members were replaced, and about half of the 24 members of the Politburo retired.

Mr Hu reportedly planned an attempt to retire many more aged officials, including the top leader, Mr Deng, at the 13th party congress, due in September.

Analysts believe Mr Hu's plan was one of the two major causes for his downfall. Another was his radical political reform, which made the conservatives uneasy.

According to informed sources, Mr Bo has now been charged with the preparation of the 13th party congress. But Mr Zhao, being the acting general secretary, is also working on the important event.

Mr Zhao, who has been prime minister since 1980, has his power base mainly in the government. Now he is trying to consolidate his position in the party by absorbing many of the people close to Mr Hu.

An example is Mr Qian Liren, the incumbent director of the PEOPLE'S DAILY and a full member of the Central Committee. He rose from the ranks of the Communist Youth League and used to be a close associate of Mr Hu.

Mr Qian has since been recruited into a new top group on ideology largely on the recommendation of Mr Zhao.

Mr Zhao been at pains to confine the anti-bourgeois liberalisation and at times comes into sharp conflict with the conservatives.

Sources said a recent decision by the Central Committee against extending the anti-bourgeois liberalisation struggle into rural areas was largely initiated by Mr Zhao.

The success of rural reforms largely contributed to Mr Zhao's ascendancy. Once this policy is disrupted, his ability to retain power will be greatly compromised.

Retirements 'Put on Ice'

HK090623 Hong Kong HONGKONG STANDARD in English 9 Mar 87 p 8

[By staff reporter David Wong]

[Text] The power transfer from veteran Chinese leaders to a younger generation has apparently hit snags, resulting in a sudden brake to the leadership succession.

Clear signs which have emerged since the ouster of party chief, Hu Yaobang, indicate that the elders now in control of the party will not willingly give up their power.

Chinese sources said the retirement programme for veteran party cadres would be put on ice and the planned retirement for many government, party and military leaders could be postponed.

"Nobody will know at this stage the outcome of the party congress in October, but it seems certain that many veteran leaders would stay put despite the fact that they have reached the retirement age," sources said.

It has been reported that Mr Hu and his followers had planned to ask a total of 110 to 120 senior party members of the powerful Central Committee, aged over 70, to step down.

But the situation may have changed considerably following Mr Hu's resignation in January.

Remarks made by Chinese President Li Xiannian, a senior veteran leader, last week while meeting visiting Japanese politician Ryosaku Sasaki reinforced the belief that the elders would resist any suggestions asking them to retire.

While stressing that veteran leaders would not willingly give up power to the younger ones, Mr Li commented:

"Waves that come after will not overtake the waves that come first," he was quoted as saying.

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Analysts said Mr Li's remarks evidently underlined the resistance put up by veteran leaders in the struggle with the young reformists led by Mr Hu.

Mr Li's remarks have also contradicted those made by China's top leader, Deng Xiaoping, who has reiterated that an orderly succession is the best guarantee for the continuity of party policies. He once said: "If we... let the old and ailing stand in the way of young people, who are energetic and able, not only will the four modernisations fail but the party and state will face a mortal trial and perhaps fail."

This explains why the Communist Party has forged ahead with the power transfer and the formation of the so-called "three-echelon leadership model," which has received Mr Deng's blessing in the past few years.

Mr Deng has not necessarily totally reverted his stand on this issue, he may have disagreed with Mr Hu over the pace being pushed by him and his supporters. And some have been suggested that a key reason for Mr Hu's downfall was related to his strong support for the "rejuvenation" of the party leadership.

This put him at odds with conservative leaders in the party, government, and above all, the People's Liberation Army. His remarks calling for the stepping down of more than one-third of the membership of the party's Central Committee in the 13th party congress in October, were seen to be so offensive that they rallied the conservatives to strike back to safeguard their interests.

While Mr Li Xiannian made it explicit that the elder would not be willing to give up power, Mr Hu said at a meeting with top provincial party and military leaders in Sichuan in May last year, that the party must be determined in asking the veteran comrades to give way.

How to resolve their differences?

The decisive force rests with Mr Deng and with his support, Mr Hu has been able to push forward with the rejuvenation programme.

But following the withdrawal of Mr Deng's support and the ouster of Mr Hu, the conservatives will manage to strike back in the 13th party congress.

It looks certain that the leadership reshuffle in the coming congress will be kept to a minimum, whereas those veteran leaders like Deng Xiaoping, Li Xiannian, Chen Yun, Peng Zhen, Yang... [name and ellipses as published] and Wang remain in office.

This projection is further endorsed with the appointment of Mr Bo Yibo, vice-chairman of the Central Advisory Commission, Mr Peng Zhen, chairman of the Standing Committee of the National People's Congress and a high-level Army leader to head a preparatory committee for the congress.

Both Mr Peng and Mr Bo have been in the forefront of the current campaign against bourgeois liberalism.

The upcoming congress is widely regarded as crucial to future policies and the assignment of top leaders to various key positions, including naming Mr Hu's successor and a new premier if Mr Zhao Ziyang is confirmed as the party general secretary.

'IMPORTANT CPC OFFICIAL' ON POLITICAL REFORM

HK110623 Hong Kong TA KUNG PAO in Chinese 11 Mar 87 p 1

["Special dispatch" from Beijing: "Beijing Newspaper Discloses the Speech of an Important CPC Official on the Three Targets for China's Political Reform"]

[Text] Beijing, 10 Mar — In a recent speech, an important CPC official put forward three targets for political structural reform. He also said that the first target cannot be fulfilled in 3-5 years and that we shall see whether it can be achieved in 15 years. The 13th CPC National Congress will not be able to complete this task either. We plan to make further efforts in the 14th Party National Congress and fulfill this task in the 15th Party National Congress. According to the party Constitution, the CPC National Congress is held every 5 years.

LILUN XINXI BAO [THEORY INFORMATION NEWS] has carried excerpts of this speech in the form of an important document. The excerpts of the speech are as follows:

The question of political restructuring should be conducted along three targets. The first is to constantly preserve the vitality of the party and state. Vitality is related to the efforts to make the cadres in our leading bodies younger in average age. Some years ago we put forward the "four transformations" of personnel — namely, making the ranks of cadres more revolutionary, younger in average age, better educated, and more professionally competent. Over the past 7 years, we have done something, but this is only the beginning. The first target for the political structural reform that we put forward cannot be fulfilled in 3-5 years. We shall see whether it can be fulfilled in 15 years. The 13th CPC National Congress will not be able to complete this task either. We plan to make further efforts in the 14th Party National Congress. But it is very important to set a target. This is the first one, preserving vitality. If one day politicians, economists, scientists, writers, and specialists in this or that field in their thirties or forties emerge in China in large numbers, it will be an excellent thing. Instituting some system to encourage young people also involves the educational system. Strictly speaking, we have just begun to move forward in this field. We should consider many problems and adopt many measures, but all these must be done.

The second is to overcome bureaucratism and raise efficiency. This has something to do with our unwieldy organizations, where there are more hands than needed and a dilatory work style. More important, it has something to do with our failure to separate party work from government work. The party has taken over a lot of government work and many party and government organizations overlap. We should uphold the leadership of the party, which is a special feature of our country, and we should not abandon this. But the party should be good at leadership. We put forward this issue several years ago, but we have not thought out many problems about how to set about it. This is the second target. While engaging in the four modernizations program, it will not do without efficiency. It will not do not to raise efficiency, overcome bureaucratism, and proceed slowly. Mankind is forging ahead at tremendous speed. It is even more so in the field of science and technology. If we lag behind by 1 year, it will be difficult to catch up. Therefore, we must solve this problem.

The third is to arouse the initiative of the people at the grass-roots level, including the workers, peasants, and intellectuals. We have conducted reforms for 7 years. [paragraph continues]

One of our experiences is to arouse the initiative of the peasants and to transfer power to a lower level. In rural reform, we also transfer power to a lower level. Industrial enterprises and mines should also transfer power to a lower level, to the grass-roots level. At the grass-roots level, there is also the question of arousing the initiative of workers and intellectuals -- that is to say, we should let them participate in management. This is called management democratization. Only when the leading levels have vitality, overcome bureaucratism, raise efficiency, and arouse the initiative of the grass-roots level and the people will there be hopes to achieve the four modernizations.

The key lies in the people's unity. If we want unity, we must have a firm conviction. In this way, we can unite the people. After difficult struggles for several decades, we have a conviction -- that is, practicing communism. This is a common conviction, having one heart and one mind. If we have this conviction, we shall be able to overcome all difficulties and setbacks.

FIRST GROUND SATELLITE COMMUNICATIONS STATION

OW101324 Beijing XINHUA in English 1315 GMT 10 Mar 87

[Text] Beijing, March 10 (XINHUA) -- The Juiquan Satellite Launching Center in northwest China's Gansu Province now boasts China's first ground satellite communication station, today's "LIBERATION ARMY DAILY" reported.

"The new station, approved last week by the international telecommunications ground satellite organization, will be connected with the existing international network," according to the report.

This station is the first among those already operating in the space communication network, and satellite launching centers, observation and monitoring centers and space survey stations are also scheduled to be built.

Expected to replace the old radio and short-wave communication facilities, the newly-built station will improve efficiency and the quality of satellite launching and observation systems, the report said.

FANG LIZHI CONTINUES WORK AT SCIENCE ACADEMY

OW101312 Beijing XINHUA in English 1255 GMT 10 Mar 87

[Text] Beijing, March 10 (XINHUA) -- The new president of the Chinese Academy of Sciences today told XINHUA: "The academy will give no administrative orders imposing one academic view and forbidding another; it will allow different views. Debates can lead to truth." Zhou Guangzhao, also a leading nuclear physicist, said that China still encourages "letting a hundred schools of thought contend" in scientific circles.

Scientific research in China is conducted for economic development, the same in any other country, Zhou, 57, said. The strength of a country, Zhou added, depends on its economy and the economy hinges on its scientific and technical development.

"We still allow scientists like Fang Lizhi to work in the academy and give academic reports," Zhou said. "The academy has not limited Fang's personal or academic activities."

WRITER BO YANG ON 'WEAKNESS OF CHINESE CULTURE'

HK110241 Hong Kong HONGKONG STANDARD in English 11 Mar 87 p 7

[By staff reporter Yau Shing-mu]

[Text] The mainland communists and the right-wing Kuomintang of Taiwan have many things in common. One of these is their dislike for 68-year-old writer Kuo Yi-Tung, better known to Chinese the world over as Bo Yang.

In their view, Mr Kuo has disgraced the Chinese people. The Kuomintang threw him into prison and the mainland authorities have condemned and restricted sales of his books.

Mr Kuo has a number of uncomplimentary things to say about the way both governments run their territories and these complaints, he says, should not be blamed on communist or KMT ideology but on Chinese culture.

Here in Hong Kong, at least, Mr Kuo is highly regarded.

He is in the territory as a guest of Radio Television Hong Kong to present prizes during the Third Annual Book Review which takes place on Sunday.

But, invariably, people keep asking about his "terrible twins" -- China and Taiwan -- and Mr Kuo becomes agitated.

"Look at the mainland! The lives of the people were improving; society was progressing. Now this happens, an anti-bourgeois liberalism campaign, and everything suddenly goes into reverse.

"What's bourgeois liberalism? I don't know what that means. Okay, if there is such a thing, tell me what is communist liberalism?"

Comparing the reforms now going on in both countries, Mr Kuo says: "In Taiwan the process of opening up the government by allowing the opposition to form parties and non-government groups to publish newspapers is something that cannot be reversed because the opposition has been pressing for this for a very long time.

"And this liberal approach has wide support from the people.

"But on the mainland, the reforms, the political ones in particular, were initiated from the top. They can be reversed easily and even the leadership can suddenly change."

Hands lifted high, he moans: "When and how will the Chinese people be spared further distress?"

More soberly, he says: "I think there are some things wrong with our culture to make us so inferior. Really inferior. Otherwise, why haven't we built a democratic system in over a hundred years?

"I'm not talking about a particular person. Like it or not, we are all Chinese. That includes you and me. We share the same weaknesses and shortcomings. My only crime is to say this so bluntly!"

Mr Kuo explains that when he was thrown into prison 20 years ago for criticising the KMT, he had a lot of time to reflect on the weakness of Chinese culture.

"I got to thinking about how and why fate led me to where I was. I sought answers in Chinese history books. And I found that my own problem was not unique. All through history many Chinese had ended up in prison like myself.

"I realised then that it was not an individual problem. There must be something wrong in our national character and at the very heart of our culture.

"Our culture has been shaped largely by Confucianism which does not contain a single element of equality, a key concept in building the modern democratic system.

"Western culture is influenced by Christianity and does have this element. Christian doctrines stress that everyone is equal in the eyes of God."

"Dr Sun Yat-sen wanted to save our nation. He introduced democratic ideas and developed the Three Doctrines of the People (San Min Chu I). But it ended up with what you see now in Taiwan.

"Communism was introduced into China by Li Dachao. It ended up with the Cultural Revolution. [no closing quotes as published]

His bestseller, "The Ugly Chinese," was criticised by both Chinas. The communist GUANGMING DAILY, lambasted the book. Since the anti-bourgeois liberalism campaign began, the book has no longer been available in government book stores.

The book criticizes the shortcomings of the Chinese culture. The GUANGMING DAILY in an editorial accused him of tarnishing the image of the Chinese people.

But the book is popular among students and intellectuals.

Mr Kuo said if the book had been published 10 years earlier, it would have been banned in Taiwan. But now it is available on the island.

"But I'm surprised and puzzled that it is banned on the mainland. That obviously states one fact: That the Taiwanese are more healthy since they find criticism less offensive than their counterparts on the mainland," Mr Kuo said.

"I feel sorry and hurt. Not because the ban would mean my income would be cut from the copyright. Anyway I can't get it from China. What disheartens me is that the suppression of human rights and ignorance has once again fallen on the Chinese people. [no closing quotes as published]

Mr Kuo was deeply moved when presented with a souvenir collection of commentaries by local writers entitled "Bo Yang in the Eyes of the Hong Kong People." His birthday was also celebrated at the same time.

"This is really a memorable occasion. I found friends here remembering personal details even better than the Taiwanese. And they backed me when I was in jail."

NATIONAL DISCIPLINE INSPECTION MEETING CONCLUDES

OW050303 Beijing XINHUA Domestic Service in Chinese 1421 GMT 4 Mar 87

[Excerpts] Beijing, 4 Mar (XINHUA) -- A national work meeting on discipline inspection concluded today in Beijing. Among those attending the meeting were responsible comrades from the discipline inspection commissions of various provinces, municipalities, and autonomous regions; the discipline inspection groups of central departments and commissions; and the Discipline Inspection Commission of the Central Military Commission. After an extensive exchange of opinions and discussions, they arrived at the unanimous conclusion that strictly enforcing the party's political discipline and exercising intensive inner-party supervision are an important task in the political life of the whole party. All comrades in the party, they said, should make joint efforts to ensure the success of this task. The comrades attending the meeting pointed out: The purpose of inner-party supervision is to ensure that our party organizations and party members, particularly those who are leading cadres, act in compliance with the party Constitution and other regulations and rules to prevent unhealthy trends within the party, and to expose and correct any activity that is damaging to the party's interests or a violation of party discipline or state laws. This is of vital significance to the development of our party's fine traditions and to the smooth progress in building socialism with distinctive Chinese characteristics. [passage omitted]

In a speech delivered at the meeting, Zhang Dinghong, secretary of the Shanghai Municipal Discipline Inspection Commission, said: Not long ago, the Shanghai Municipal Discipline Inspection Commission made a decision to expel Wang Ruowang from the party. After that, it received a lot of letters and telegrams from party members and the masses that criticized Wang Ruowang's acts of opposing the four cardinal principles and advocating bourgeois liberalization, and which expressed support for the decision made by the municipal Discipline Inspection Commission. Zhang Dinghong added that if a Communist Party member discards his ideals, openly opposes the socialist system, and is in favor of taking the capitalist road, he is acting directly against the party Constitution and the oath he took on being admitted to the party; he is thereby disrupting the party's political discipline, and, of course, he must be subjected to the party's disciplinary measures. Zhao Baoxing, secretary of the Anhui Provincial Discipline Inspection Commission, said: Fang Lizhi, Wang Ruowang, and Liu Binyan advocated bourgeois liberalization and opposed the four cardinal principles. These were acts seriously violating our party's Constitution and discipline and making them unworthy of Communist Party membership. Many comrades from discipline inspection commissions held that if a Communist Party member does not agree to the party's line, principle, or policy, he may express his opinion according to the prescribed organizational procedure, but in no way should he be allowed to make any statement on public occasions opposing the party Central Committee's decision.

Han Guang, permanent secretary of the Central Discipline Inspection Commission, delivered a speech before the close of the meeting. He said: Upholding the four cardinal principles and opposing bourgeois liberalization make up an important part of the present task to strictly enforce the party's political discipline. In this struggle, those deserving organizational disciplinary measures are few in number. As for the broad masses of party members, all that is required is education. Discipline inspection commissions at all levels must know their responsibilities clearly. They must analyze the essence and danger of the acts carried out by Fang Lizhi, Wang Ruowang, and Liu Binyan in advocating bourgeois liberalization and, through such analyses, raise party members' awareness of achieving unity with the party Central Committee ideologically and politically. They must also help leading bodies at various levels, in particular those on the political and ideological fronts, to properly sum up experiences and draw lessons from the past with a view to solving their problems of weakness and laxity.

Han Guang pointed out: In the struggle against bourgeois liberalization, the work of correcting unhealthy trends should not be relaxed. At present, correcting unhealthy trends should be combined with the efforts to increase production, practice economy, boost revenues, and cut expenditures. We should oppose the acts of holding lavish banquets, buying gifts at public expense, and indulging in extravagance and waste. On the other hand, we should restore and carry forward the fine traditions of plain living and hard struggle and of building up the country through diligence and thrift. Besides, Han Guang stressed the need to make a success of the discipline-inspection work during the new period, saying that party committees, themselves, should grasp this work, and leading cadres should set an example in this regard so as to further develop the fine situation with the whole party paying attention to improving our party style.

The meeting was presided over by Wang Heshou, second secretary of the Central Discipline Inspection Commission. He urged that earnest efforts be made at all localities to implement the guidelines set at this meeting in such a way as to fit their local situation.

RENMIN RIBAO VIEWS SUPERMARKET FAILURES

OWO91226 Beijing XINHUA in English 1130 GMT 9 Mar 87

[Text] Beijing, March 9 (XINHUA) -- Supermarkets in many Chinese cities are going out of business because of poor management, deficits and fewer customers, the "PEOPLE'S DAILY" reported today. According to the paper, "Beijing's supermarkets are facing a slump, five of Guangzhou's nine supermarkets have been closed and Tianjin has closed two of its existing five."

"PEOPLE'S DAILY" reporters surveyed 15 of Beijing's supermarkets and found the Haidian Market finally shut down after a four-year struggle, with only a few sales clerks now selling bones and lean meat outside the closed shop.

"On February 7, only one customer came to the Dongsì Supermarket to browse, just looking over the counters without buying a single item," the paper reported. "Things in the Shuizhuizi Market were even worse," the reporters said, "and some tubes of toothpaste and shoe polish had been on the shelves for three years, while some canned food and liquor were a year or two old."

The paper blamed the supermarket slump on high prices, overstaffing and fewer profits, because overhead is 3 percent higher than ordinary markets and they are employing the same number or more clerks.

The paper also criticized the service in the supermarkets, and according to a manager of the Dongdan Supermarket: "It is common practice for shop assistants to chat in twos or threes and little work gets done." The paper didn't only blame the shop assistants, but also the lack of customers and said: "With no customers what else is there to do but chat." "I would rather work hard and earn more," one salesclerk said, "which would be much better than standing idle all day."

In an accompanying commentary the paper said: "Supermarkets, which originated and are still booming in developed countries, might not be suitable to China because of different conditions and circumstances." "China should set up practical markets better suited to the country's unique conditions," the paper said.

TIAN JIYUN ADDRESSES FINANCIAL REVIEW MEETING

OWO71440 Beijing XINHUA Domestic Service in Chinese 0918 GMT 7 Mar 87

[Text] Beijing, 7 Mar (XINHUA) — Tian Jiyun, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, pointed out today: Conducting a general review of tax revenue, financial affairs and commodity prices; enforcing discipline on financial and economic affairs; striking at criminal activities in the economic sphere; and helping people strengthen their concept of the legal system is precisely aimed at further implementing the policy of reform, opening up and economic invigoration and at further consolidating and developing the favorable situation.

The general review of tax revenue, financial affairs and commodity prices for 1986 has basically ended. Tian Jiyun delivered a speech at a meeting to sum up the experience in conducting a general review of tax revenue, financial affairs and commodity prices. This meeting was held by the State Council today. He said: Various localities and departments attached great importance to this general review, and exerted strenuous efforts in conducting it. In fact, it was conducted well. First, issues in the realm of ideology were solved fairly well. In drawing up plans to conduct the general review for 1986, various localities and departments earnestly studied and implemented the guidelines laid down in the State Council circular, fulfilled the requirements drawn up by the leading comrades at the central level for the general review, and strengthened their leadership over this work. Ideas and actions in these localities and departments were fairly identical, laying a solid ideological foundation for the general review. Second, the demarcation line was quite clear in terms of policy. In handling various issues that cropped up in the course of conducting the general review, various localities and departments adopted a realistic approach. On the one hand, they strictly enforced discipline in financial and economic affairs, and corrected actions that violated discipline, while on the other hand, they protected the legitimate rights and interests of the various enterprises and units, and aroused everyone's enthusiasm in carrying out reforms, opening to the outside world and invigorating the domestic economy. Due to the clear-cut demarcation line drawn in policy matters, the results of the general review were fairly accurate. Various localities and departments were able to handle the cases and carry out their work quite smoothly. Third, the review was carried out in close connection with the work of strengthening spiritual civilization, promoting education on the legal system and correcting unhealthy trends. During this general review, various localities and departments paid attention to its economic and political results. In close connection with the general review, many localities and departments adopted various forms to carry out education among the broad masses of cadres and workers and staff members on the legal system, on the sense of discipline, on the overall situation and on party spirit. They developed spiritual civilization, improved party style and the general mood in society, and helped people raise their consciousness in observing discipline and law. Four, various localities and departments had exerted efforts in increasing revenues and practicing economy, and developed construction work.

Tian Jiyun said: Generally speaking, we did a good job in conducting this review, scoring tremendous achievements and attaining good results. Naturally, the development of our work remains unbalanced. We still need to pay attention to some of the problems in the course of carrying out our work and make improvements from this point on.

Tian Jiyun pointed out: From the result of this general review, we can see that violations of law and discipline do exist in the economic realm. Some are so serious that they cannot be solved thoroughly through one or two general inspections but only through constant efforts.

In order to consolidate and promote the achievements of the general inspection, the following matters should be paid heed to:

1. It is necessary to strengthen ideological and political work and to rectify the operational concept and work style. While carrying out socialist modernization and the reform of the economic structure, we must insist in building the "two civilizations" simultaneously. It is important to strengthen the concepts of looking at the overall situation, the legal system, and the law, as well as to promote the idea of having the cardinal principles in mind and taking the overall situation into account. In order to prevent the occurrence of violations of law and discipline, it is necessary to handle properly the relationship between the interests of the state, the enterprises, and the workers; between macroeconomic control and microeconomic flexibility; and between carrying out reforms, revitalizing the economy and abiding by law and discipline, as well as to rectify operational concepts and work styles.

2. It is imperative that we vigorously launch activities to increase production and practice economy, increase revenues and reduce expenditures. Carrying out general inspections of tax revenue, financial affairs, and commodity prices is an important step in unfolding such activities. It is through the general inspections that such practices as tax evasion, arbitrary inflation of costs and retention of profits, extravagance and wastes, and serious economic losses resulting from irresponsible behavior or bureaucracy can be exposed; therefore, proper measures can be taken to correct them. In this manner, the activities to increase production and practice economy and to increase income and reduce outlays can thus be further promoted. We need a large amount of funds to carry out socialist construction, and yet China's economic capacity is limited for it has a large population and a poor foundation to start with. This is a contradiction. The only way to solve this contradiction is to carry out the policy of striving to build the nation, run enterprises, and accomplish all other causes economically. In this way we can increase production and practice economy, and increase income and reduce outlay. Currently, some enterprises and certain units complain about the lack of funds on the one hand, and allow serious losses and wastes to continue on the other. If they could do their work a little more efficiently, a considerable amount of funds that used to be lost, wasted and scattered can be used for constructive purposes and will play an important role in accelerating the four modernizations drive. In this aspect, a lot of things can be done and these deserve our attention.

3. It is necessary to strengthen our economic legislation. Some people violated discipline in the financial and economic fields, because they refused to observe the regulations and laws, or they knowingly violated discipline and laws. Some people did so, however, because our economic legislative work actually failed to keep pace with the situation. We must earnestly study the existing economic and financial laws and regulations in light of the problems which arose in the course of conducting the general review. We must uphold those laws and regulations that are proven effective, while revising the unreasonable ones and improving the imperfect ones. The leading organs and leading cadres must take the lead in enforcing discipline in the economic and financial fields, and impose stringent demands on themselves. In short, we must gradually bring our various economic activities into line with the legal system. Only by doing so will it be possible for us to follow the socialist orientation in fulfilling our economic work and ensure the healthy development of the entire national economy.

4. We must gradually strengthen the economic supervisory organs at all levels; transfer cadres to strengthen such organs; and help them improve their qualities and work style, and play their role well in their posts. Various departments in auditing, tax collection, commodity prices, financial affairs, banking, commerce and foreign trade must actively carry out professional reviews and do a good job in conducting routine checkups, providing supervision and carrying out routine auditing work.

The supervisors in the economic field at all levels must remain devoted to their duties and be honest in performing their official duties. They must take the lead in observing discipline and law, dare to adhere to principle, consciously safeguard the interests of the state and the people, and wholeheartedly serve the people. Those who make use of their authority to seek private interests and those in law enforcement who violate the law must be dealt with severely.

5. During this year, it is necessary to continue to conduct a general review of tax revenue, financial affairs and commodity prices in close coordination with the movement of increasing production and practicing economy and of increasing revenues and reducing expenditures. Various localities and departments must firmly strengthen their leadership over the general review, and pay full attention to this work as an important measure in strictly enforcing discipline in the financial and economic field, further improving the party style and the general mood in society, and developing the movement of increasing production and practicing economy and of increasing revenues and reducing expenditures.

Chen Zuolin, secretary of the Central Discipline Inspection Commission, attended and addressed today's meeting.

EFFECT OF EXTRABUDGETARY CAPITAL CONSTRUCTION

HK090603 Beijing JINGJI RIBAO in Chinese 24 Feb 87 p 3

[Article by Deng Yingtao (6772 5391 3221) and Xu Xiaobo (1776 4562 3134): "The Effect of Extrabudgetary Funds on Capital Construction and the Countermeasures"]

[Text] In 1978, the proportion of capital construction investment with funds raised by localities and enterprises accounted for merely 20 percent of total capital construction investment; however, this proportion rose to over 40 percent in the last 2 years. Extrabudgetary funds are playing an obviously greater role in the development of the national economy, and have become an indispensable source of funds in our economic construction.

However, with the increase in extrabudgetary funds being used for capital investment, the disproportionate phenomenon in capital investment has also become more and more serious. The disproportion is reflected in the following facts:

First, the proportion of capital construction is too large, while investment in equipment renewal and technological transformation is insufficient.

According to relevant data, about 40 percent of the funds for renewal and transformation have been shifted to the purpose of expanding production capacity and conducting capital construction, and half of these funds were used for non-productive purposes, such as building living quarters. Although since 1980, the depreciation fund has accumulated to over 100 billion yuan, because half of this money for equipment renewal was used for capital construction, the quality of the enterprise assets structure has not been improved as it should, and even the normal equipment renewal has been affected. For example, between 1981 and 1984, only 20 percent of the industrial enterprises' investment in renewal and transformation achieved the results of improving product quality, lowering costs, and increasing new products.

Second, the proportion of non-productive investment is too big. During the Sixth 5-Year Plan, non-productive investment accounted for over 40 percent of our total investment, or 20 percentage points higher than the 20 percent between 1953 and 1980. This state of affairs was closely related to the high proportion of the use of extrabudgetary funds in non-productive investments.

Local governments made huge investments in urban construction and other non-productive projects, and this was one of the major reasons for the excessively big proportion of non-productive investment with extraordinary funds. In order to raise funds for non-productive construction, many localities imposed levies on enterprises under all sorts of pretexts and thus used the extrabudgetary funds from the enterprises to invest in various projects. For example, the Luoyang Bearing Plant in Henan Province was required to contribute a total of 3 million yuan for a national youths' sports game, a project of widening a highroad, and another project.

The non-productive investment projects of localities were mainly urban construction projects; while the non-productive investment made by enterprises with their own funds was mainly in building living quarters. The enterprises do not have less interest in investing in living quarters than in consumption items. In Zhengzhou City, the state-owned enterprises' investments in building living quarters in 1984 and 1985 accounted for 66 percent and 47 percent of the capital construction expenditure of their extrabudgetary funds.

Third, productive investments are too scattered, and projects are duplicated and lack coordination. In recent years, as an increasing amount of extrabudgetary funds was used for investment purposes, a large number of investment projects were scattered in a variety of industries from cigarettes and wine to the textile, automobile, and household electrical appliance industries, and many of them were duplicated. Take the color TV industry, as an example. By the end of 1983, there were 112 color TV production lines in the whole country, with some already put into operation and some still being installed. Their total production capacity was more than 15 million sets a year. However, the domestic production capacity of spare parts was merely 1 million sets, and there was a huge gap. Among those production lines, 88 lines, or 78.5 percent, were built with local funds and extrabudgetary funds. The other feature of the scattered investment was the small scale of the investment projects, which could not achieve satisfactory economic results. According to a survey by the China Economic Structure Reform Research Institute, among the 3,212 capital construction projects in 1984 in all cities of the country, only 5.5 percent of them involved an investment of more than 10 million yuan; and projects required more than 500,000 yuan of investment accounted for 52.6 percent; and the average investment amount was merely 237,000 yuan.

Fourth, the proportion of investment in the processing industries is too high, while investment in infrastructural construction is insufficient. When viewing the investment structure in our country's history, the investment in the energy, transportation, and raw materials industries generally account for over 50 percent of the total social investment. However, in 1985, the proportion was merely 33.8 percent. At present, over 60 percent of the budgetary investment in capital construction is made in the field of building infrastructural facilities; but only 25 percent of the extrabudgetary investments are made in this field. In fact, the investments made in light of the state budget in infrastructural facilities are now far from meeting society's needs for the basis industries and the infrastructural facilities.

In short, the rapid increase in extrabudgetary funds may seriously affect the balance between supply and demand in general. [paragraph continues]

On the one hand, the investment quantity determines the demand for the objects of investment; on the other hand, the investment structure becomes disproportionate, and this invisibly reduces the effective supply.

We hold that during the Seventh 5-Year Plan, the management of the extrabudgetary funds should be focused on regulating and controlling the investment structure.

First, regulate and adjust the proportion between productive investment and non-productive investment. Because most non-productive investments are related to capital construction, we may consider that a 20-25 percent construction tax can be imposed on the amounts of extrabudgetary investment in this field, and the taxes can be collected by the Taxation Department.

In addition, an institution can be set up to handle the cases concerning returning or reducing this construction tax. (We omit our idea about the setup of this institution and the concrete taxation regulations)

Second, regulate and adjust the productive investment structure based on the extrabudgetary funds. This should be done in two ways: First, forming enterprise groups and developing a capital market so that investing entities and organizers of economic activities can gradually take shape and the role of the central departments and local government in economic activities can gradually phase out. This is a long-term task. Second, as a medium-term or short-term step, we should strengthen the structural regulation of bank loans, which are closely related to the extrabudgetary funds, and this will guide the investment orientation of the extrabudgetary funds. At the same time, the investment orientation of various fund raising means, such as the issuance of bonds and shares, should also be brought under control.

RENMIN RIBAO ON REFORM, MATERIAL INJECTION

HK091551 Beijing RENMIN RIBAO in Chinese 7 Mar 87 p 2

[Commentator's article: "Carry Out Reforms More Profoundly, Increase Input -- Second Talk on Increasing the Staying Power of Agriculture"]

[Text] No one will deny that the initiative of the peasants resulting from the carrying out of rural economic structural reform and the implementation of a number of policies has brought about great successes in China's agricultural development.

When talking about increasing the staying power of agriculture, some comrades will ask these questions: As material injection is receiving more attention than before, does this mean that we have done well enough in reform? To bring about further development, will it do just to increase material and technological injections? This portrays the one-sided understanding of the relationship between reform and material injection.

In fact, reform and material injection do not contradict but complement each other. For a long time, the old rural economic structure has restricted the peasants' initiative and suppressed the role of materials and technology in production. Economic structural reform has put an end to the unlively situation in the rural areas, brought the peasants' initiative into better play, and tapped the material and technological potential that has accumulated in the rural areas over the last 30 years. [paragraph continues]

However, without long-term material and technological injections, it would have been impossible for rural economic structural reform to bring about a high rate of agricultural development. Therefore, while affirming the great achievements in agricultural reform, we cannot negate the great role of material and technological injections; and while increasing the staying power of agricultural development, we should not forget continuing rural economic structural reform. Neither of the two is dispensable.

Of all the productive forces, man is the most important factor. In increasing the staying power of agriculture, the most important problem is to try every possible means to protect and bring into play the initiative of the 800 million peasants. To achieve this end, it is necessary to rely on reforms and policies. It is precisely for this reason that the CPC Central Committee has pointed out that carrying out rural reforms in a more profound manner is a task of primary importance for rural work this year. In fact, the tasks in rural reforms are very difficult. Although the output-related contract responsibility on a household basis has manifested its vitality, it must be stabilized, improved, and perfected in the course of its implementation along with other systems. The peasants will find it difficult to adapt themselves to the transfer to the commodity economy, and services before, in the course of, and after production should be made available. There are many difficulties in the reform in the circulation sphere. To carry out this reform more profoundly, it is necessary for us to bring our unremitting spirit into better play. Township enterprises are also faced with new problems. They should increase their vitality through reforms. All this involves the personal interests of the peasants. If these problems are not resolved, the peasants' initiative will be affected. The tapping of the original material and technological potential and the increase and rational use of material and technological injections all rely on the profound carrying out of rural economic structural reform. In this sense, carrying out rural economic structural reform more profoundly is a fundamental guarantee for increasing the staying power of agriculture.

To form a new productive force, it is necessary to increase material and technological injections. Without a certain material and technological foundation, that is, without coordinating the role of funds, materials, and technology, the people's initiative cannot be brought into full play, and no breakthrough can be made in the development of the economy.

In short, it is necessary to both carry out rural economic structural reform more profoundly and to increase material injection. Only by doing a good job in these two aspects can the staying power of agriculture be maintained for a long time.

TIAN JIYUN RENEWS CALL FOR PRACTICING ECONOMY

OM020415 Beijing XINHUA Domestic Service in Chinese 0004 GMT 28 Feb 87

[By reporter Zhang Chuangen]

[Text] Guiyang, 28 Feb (XINHUA) -- On a recent work inspection tour in Guizhou, Tian Jiyun, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, pointed out: Developing a campaign to increase production, practice economy, boost revenue, and cut expenditure is interrelated with conducting reform, opening to the outside world, and invigorating the domestic economy. The two can promote each other. We should use intensive reform to bring about the development of a wide-scale, in-depth, and sustained campaign to increase production, practice economy, boost revenues, and cut expenditure, and try to achieve substantial results in doing so.

Tian Jiyun said: The party Central Committee and the State Council have pointed out that a campaign should be launched to increase production, practice economy, boost revenue, and cut expenditure. This is not only an important policy decision to solve the present economic problems, but also a strategic measure to strengthen the building of socialist material and spiritual civilization.

Tian Jiyun stressed the need to properly handle the relationship between this campaign and reform. He said: The two promote each other and cannot be separated. On the one hand, only by developing the campaign to increase production, practice economy, boost revenue, and cut expenditure to bring about a sustained, steady, and balanced development of the national economy can we create a good economic environment for the reform of our economic structure and ensure a sound and smooth progress in conducting such reform. On the other hand, only when we persist in reform and carry out intensive reform is it possible to increase our economic vitality and mobilize the initiative of the masses to develop the above campaign in depth and on a wide scale. What we should do is properly combine the two. In no way should we grasp one and lose the other. When we talk about compressing over-expanded consumerism, we definitely do not mean suppressing the efforts toward reform, opening to the outside world, and invigorating the domestic economy. To persist in reform and carry out intensive reform is a radical measure to promote the campaign to increase production, practice economy, boost revenue, and cut expenditure.

After inspecting factories and villages in Guizhou, Tian Jiyun set forth the following demands in order to develop an extensive and intensive campaign to increase production, practice economy, boost revenue, and cut expenditure: In the first place, there should be a firm determination and quick action. To develop this campaign, we must have a very firm determination plus a clear-cut attitude and indomitable perseverance. Without these, then the campaign cannot be launched, it can only be carried out perfunctorily like "a light rain that merely wets the surface of the ground," or it will have to be given up halfway. After we have enhanced our understanding of this, we must take quick action. Concrete measures must be studied quickly, and arrangements made to put the measures into practice. We must not merely pay lip service to this campaign and become satisfied when general calls in this regard have been issued at meetings. Second, the measures adopted should be specific, and the methods correct. It is necessary to study how to develop the campaign and grasp the key tasks by taking into consideration the energies of the leadership, the personnel available, and the planned projects. In this regard, 1) we should boost our reserve strength for agricultural development; 2) we should invigorate the enterprises, in particular the big and medium enterprises owned by the state, further raise their economic benefits, and beef up their capabilities to develop themselves and to cope with and endure new changes; and 3) we should resolutely ensure the completion of projects listed in the plan, production-related projects, and key state construction projects. On the other hand, we should make a firm effort to cut those projects that are not included in the plan, not related to production, or not key state construction projects, and we should reduce spending that has nothing to do with production. In doing this, we should proceed from reality, seek truth from facts, guard against lopsidedness, and see to it that the construction of a project is guaranteed or cancelled as it should be. That is, we should deal with each case on its merits instead of treating all in the same way. Third, we should pay attention to real results rather than doing something for show. The campaign to increase production, practice economy, boost revenue, and cut expenditure should be carried out in a down-to-earth way, and no formalism should be pursued. All localities, departments, and units should strengthen their leadership over this campaign and to it that the campaign will develop in a sustained and sound way and produce substantial results.

Tian Jiyun conducted inspection in Guizhou Province between 23 and 26 February. During this period, he went deep into factories and villages, held discussions with the broad masses and cadres, and listened to their opinions.

IMPORTANCE OF AGRICULTURAL OUTPUT REAFFIRMED

HK080556 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1021 GMT 3 Mar 87

[Report by Shi Fu [4258 1133]: "Agricultural Development Remains China's Prime Concern"]

[Text] The CPC authorities have all along attached importance to agriculture. In the past 2 years, the CPC Central Committee's Document No 1 issued each year was about agricultural development. The authorities have repeatedly stressed that agriculture is the foundation for the development of the national economy and that the issue of providing food for the 1 billion people is a matter of prime importance.

Things have changed this year. Document No 1 is about "opposing the bourgeois liberalization." The CPC authorities have pointed out that one of the two major tasks this year is to "oppose bourgeois liberalization," and the other is to increase production and practice economy, and to cut expenditures. Agriculture has not been specially dealt with. Does it mean that the CPC does not attach importance to agriculture? The answer is no. In the past 2 years, the momentum of agricultural development on the mainland is weak and the development has come to a standstill because of obstacles. The problem of providing food for the 1 billion people has not yet been solved. The CPC authorities' worries about agriculture are even greater than the last 2 years.

There have been indications that the CPC authorities have not treated agriculture production lightly but have adopted many measures to promote its development.

First, investment in agriculture has increased. Sources concerned disclosed that in the budget for this year's national economic and social development, the authorities have reduced the total investment in capital construction, but have increased by a big margin investment in the capital construction of agriculture, an increase of nearly 40 percent. Such an increase is unprecedented. The increased portion is mainly earmarked for the construction of large water conservation projects and commodity grain bases.

Second, propaganda on agriculture has been strengthened. The CPC's mouthpiece, RENMIN RIBAO, has published many commentaries and articles on agriculture in the past 2 months. Recently, experts, scholars, and responsible members of departments concerned have also been invited to discuss the question of "how to increase the momentum of agricultural development." RENMIN RIBAO said that to increase the momentum of agricultural development is one of the major tasks in this year's economic work and is also a long-standing task in developing the rural economy in the future. It has a bearing not only on the sustained growth of agriculture but also on the sustained growth of the entire national economy. It is a matter of prime importance of the overall economic situation that should never be neglected.

Third, central departments concerned have jointly put forward "suggestions on ensuring the sustained growth of agriculture." These suggestions include priorities to be given in eight aspects in the coming 10 years: To readjust the price policy, to accelerate the popularization of agricultural technology, to improve 100 million mu of land, to encourage expanding the management scale of farmland, to readjust the production structure, to strengthen the rural grass-roots technical strength, to strengthen industries that serve agriculture, to solve the problems of construction and food and clothing in poverty-stricken areas as quickly as possible, and so on.

Since 1949, there have been "three ups and three downs" in the agricultural development on China's mainland. Such ups and downs often have a bearing on the rise and decline of the overall situation. The first rise occurred before 1957 and the first fall occurred in the "Great Leap Forward" in 1958 and "the three difficult years." Agricultural production picked up again from 1961 to 1966 and society tended to become more prosperous. Another fall in agriculture occurred during the 10 years of the "Cultural Revolution" and the society was on the brink of bankruptcy. After the spirit of the 3d Plenary Session of the 11th CPC Central Committee was implemented, the gross output value of agricultural production increased on an average of 10 percent each year and reached a climax in 1984. However, in 1985, the output of grain decreased by more than 50 billion jin, a decrease of 7 percent, and the output of cotton decreased by 33 percent. Last year, although great efforts were made, and the output of grain increased by 3.2 percent, grain output was still over 30 billion jin less than 1984 and the output of cotton and oil continued to decrease. If this trend is not quickly reversed, the 1 billion people will have to get food and clothing from foreign countries and the modernization will fall through.

Viewed from the present situation, the authorities are determined to reverse the declining tendency and increase the momentum of agricultural development and they have ways for doing so. The crucial thing is that there should be no interference again and policies concerned should be earnestly implemented.

COMMENTATOR ON FUTURE AGRICULTURAL DEVELOPMENT

HK091249 Beijing RENMIN RIBAO in Chinese 2 Mar 87 p 11

[Commentator's article: "Augment the Strength Reserved for Agricultural Development"]

[Text] To augment the strength reserved for further agricultural development is one of the focuses of this year's economic work as well as a long-term task in the course of future rural economic development. It affects both the development of agriculture and the growth of the entire national economy. This is an important matter we can hardly afford to overlook as far as the overall economic situation is concerned.

The accumulation of strength for future development is a demand imposed on agriculture by China's developing national economy. To further stimulate agricultural development, the party Central Committee and the State council's relevant departments have pointed out the need to consider the fulfillment of the following two targets as unalterably required by the development of the country's national economy: First, to ensure that there will be 400 kg of grain for each individual by the end of this century and to strive to make the country's annual grain output higher than 450 billion kg and, in the year 2000, hit the 500 billion kg mark. Second, while the income of city and town dwellers in the country is steadily increasing, to ensure that the peasants' per capita income will also steadily increase and to strive to make it gradually approach that of city and town dwellers. To fulfill these two targets, it is necessary to adhere to the idea and principle that agriculture has fundamental importance and to adopt effective measures to ensure that agriculture will steadily develop, thus propelling agriculture to a new and more advanced stage of development.

What we have achieved in agricultural development in recent years has drawn worldwide attention. The reforms over the past 7 years have strongly aroused the peasants' enthusiasm, enabled the economy to grow at high rates for several years on end, and greatly boosted people's confidence in the revitalization of agriculture. [paragraph continues]

However, one should be able to clearly see that these ultrahigh growth rates are mainly a result of the abrupt and simultaneous outburst of the country's long-restrained productive forces triggered by the reforms. The problem of the undeveloped state of the country's agriculture has not been solved. There are still unfavorable conditions for further agricultural development. These unfavorable conditions are mainly the country's agriculture's weak material and technological foundations, the poor ecological environment, the exhaustion of some natural resources, and the problem of worn out facilities and equipment. All this constitutes the problem of the inadequate reserve strength for further agricultural development.

It is necessary to appropriately assess the present level of the country's agricultural development. On the one hand, we must not overlook our achievements by underrating it; however, on the other, we cannot overlook existing problems by overrating it. What should be pointed out is that given the succession of heartening changes in agricultural production in recent years, people can easily overlook the problems confronting them. Some comrades have suggested that the country's agriculture is basically up to standard and that there is no need to worry about it. Others think that as a result of the application of the system of contracted responsibilities with payment linked to output, agriculture has become capable of developing spontaneously without external support. In some parts of the country and some departments, the leadership over agriculture and the support for it have weakened in recent years. This is not unrelated to the above optimistic sentiments. To fulfill the task of breaking agricultural production records, it is necessary to try earnestly to overcome these sentiments.

The reforms and developments in the rural areas these years are important conditions for ensuring that agriculture will continue to steadily develop. To lay a solid foundation for future agricultural development, it is first necessary to make the reforms more deep-going and, second, to increase material input. Neither of these two things can be overlooked. Of all the key elements of production, man is the most important.

Therefore, the 800 million peasants' enthusiasm is doubtless of paramount importance to the reserved strength with which agriculture develops. We must hold firm to the reforms and the opening up policy, consolidate and develop the results of the reforms, and, by relying on the strength of our policies, tap the great potentials hidden among the peasants. However, if we simply carry out reforms without providing material input and without a combination of various key elements of production, productive forces cannot develop on a new level. Thus, despite its meager financial strength, the state has decided to increase input in terms of funds and to adopt a series of effective measures to augment the reserve strength for further agricultural development in the "Seventh 5-Year Plan." So long as all our comrades in the party fully understand the strategic importance of agriculture to the national economy and earnestly implement these measures while trying to make the reforms more deep-going, we certainly can push the country's agriculture to a new stage of development.

MINISTER OUTLINES POLICIES FOR AGRICULTURE

HK090635 Beijing CHINA DAILY in English 9 Mar 87 p 1

[By staff reporter Dong Lisheng]

[Text] China will strive to increase its crop output by 15 million tons annually, to produce 425 to 450 million tons a year by 1990, He Kang, Minister of Agriculture, Animal Husbandry and Fisheries told CHINA DAILY.

It also plans to double farmers' present incomes by that year, the minister added. This year's target is to raise the country's crop output to 400 million tons, the level in 1984, he said.

To this end, he said, "We must further the reforms and adjust policies to strengthen agriculture. We must also increase investment and the number of scientists and technicians and develop education to strengthen agriculture's staying power."

To encourage farmers to engage in crop production, the central government had decided to implement a series of policies, the minister said.

The system of purchasing contracts between the government and farmers would be improved. The amount of grain farmers sold to the state would be linked to the state's sales of chemical fertilizers and diesel oil at state-fixed prices. The state will continue to pay the farmers money in advance for crops they expect to receive, he said.

This year's state purchasing quota will be cut by 50 million tons. The amount of purchase by the state at negotiable prices will increase and the practice of purchasing through agents will be abolished.

There will be little change in the amount of grain supplied at state-fixed prices, while the amount of sales at negotiable prices will be increased. The prices of some varieties of crops will be adjusted in a few areas.

The state will increase its investment in agriculture and its supplies of fertilizer, diesel oil and other aids to production. It will also stabilize the prices of fertilizer and diesel.

Measures should be taken to ensure farmers' access to the means of production. Requirements should be supplied to them according to the state crop purchasing of crops grown, priority should be given to ensuring stable supplies of grain and efforts should be made to maintain the amount of arable land at around 111 million hectares.

The minister stressed that China should "adopt intensive farming to increase its per hectare output and improve the quality of crops."

The state has also adjusted its purchase policies for cotton, edible oil and sugar cane and beet to check the drop in production of these main cash crops. Attention would be paid to production centres, and the availability of soil fertilizer, seeds and services, He Kang said.

The Grasslands Law must be enforced and the responsibility system of contracting both grasslands and animals be continued.

In the coming years, He said, China should further expand both sea and fresh water cultivation and deep sea fishing. At the same time, a breakthrough should be made in processing and preserving aquatics.

The Minister said since the Third Plenum of the 11th CPC Central Committee in 1978, China's agriculture had undergone a historical change. From 1979 to 1984 its output value increased from 214 billion yuan to 339.2 billion. The total crop output increased from 330 million tons to more than 400 million tons.

From 1980 to 1985, about half of farmers' increased income came from township enterprises. During this period, township enterprises turned over 39.1 billion yuan to the state in taxes or 7.8 billion yuan each year, He Kang said.

TIAN JIYUN STRESSES GRAIN AND COTTON PRODUCTION

HK020215 Wuhan Hubei Provincial Service in Mandarin 1000 GMT 1 Mar 87

[Text] Tian Jiyun, member of the CPC Central Committee Political Bureau, member of the CPC Central Committee Secretariat, and vice premier of the State Council, inspected Hubei Province's work from 27 to 28 February. He listened to reports from the provincial party committee and government on implementing the spirit of the central rural work conference and relevant State Council meetings, and made an important speech. Present at the report forum with him were Guan Guangfu, Guo Zhenqian, Wang Qun, Qian Yunlu, and other responsible comrades of the provincial party committee and government.

Comrade Tian Jiyun pointed out after hearing the reports: We must summon up great resolve, strengthen leadership, and take steps to extensively launch the drive to increase production and practice economy and increase revenue and economize expenditure. This must be carried out in a deep-going and sustained way and produce practical results.

Comrade Tian Jiyun arrived in Hubei on 27 February after completing a visit to Guizhou. From the reports given by responsible comrades of the Hubei provincial party committee and government, he learned that Hubei has decided to attain a new level in grain production this year and is adopting a variety of measures to boost cotton production.

Endorsing this, Comrade Tian Jiyun said: It is completely correct for Hubei to assign agriculture an important position in the drive to increase production and practice economy and increase revenue and economize expenditure. Developing agriculture is an important aspect that must first be grasped in this drive. The prosperity or decline of agriculture is related not only to whether the entire national economy can develop in a steady and sustained way but also to the stability of society. Practice has proven that industry can only record steady growth when agriculture records steady growth; if agriculture is unstable, the development of industry, especially light industry, will be constrained.

Comrade Tian Jiyun pointed out: It is necessary to get a particularly good grasp of grain and cotton production. He said: Our capacity for converting grain is now better than a few years ago. Apart from the grain that is consumed directly, there is increased consumption in meat, eggs, milk, and so on, which are basically products of grain conversion. There has been a big rise in the general consumption level of grain; hence, we must absolutely not take a light view of grain production.

We must also devise ways of stabilizing cotton production. Hubei is the main cotton area in south China. The light and textile industries are directly affected if cotton production is not done well.

Hubei's measures for taking advantage of its strong points in grain and cotton are very good. We should allow the peasants to learn quickly about the policies and measures in this respect, and each provision must be implemented and made good.

The development of grain and cotton is closely linked to the readjustment of the rural production structure. Comrade Tian Jiyun said: The orientation in readjusting the production structure is good. However, it is essential to fully understand that readjusting the rural production structure is an historical and gradual process, and we must not be too impatient. We must correctly handle the relationship between grain and cotton production and diversification. There are very many ways of promoting diversification, and we cannot develop it on the basis of reducing the grain area and weakening grain production. We must work hard to open up more ways and promote comprehensive development. The work of returning cultivated land in the mountain areas to forestry and animal husbandry should also be carried out step by step in light of the actual conditions.

He said: Another important aspect of launching the drive to increase production and practice economy and increase revenue and economize expenditure is to invigorate the enterprises, specially the large and medium state-owned enterprises.

On the question of compressing the atmosphere and launching the drive to increase production and practice economy and increase revenue and economize expenditure, Comrade Tian Jiyun said: It is essential to have an all-round and correct understanding of compressing the atmosphere. When we speak of compressing the atmosphere, we mainly refer to reducing the excessively inflated investment in fixed assets, that is, cutting those construction projects that are not covered by the plan, are non-productive, and are non-key projects, cutting non-productive expenditure, and correcting unhealthy trends such as competing in extravagance and lavishness.

Compressing the atmosphere certainly does not mean cutting a normal economic growth rate that yields good economic results. The aim of compression is to guarantee construction projects that are covered by the plan, are productive, and are state key projects, and to preserve sustained, steady, and coordinated development of the national economy. It is not the case that we do not want speed. We are calling for a speed that accords with objective conditions, that the national strength can bear, that produces good results, and that can be sustained. The spirit of achieving more while spending less is something that we have always advocated.

He said: Township and town enterprises are a big pillar of the rural economy. Rural economic development depends on these enterprises to a very large extent. It is completely true to say that there can be no stability without agriculture. It is also completely true to say that there can be no enrichment without industry and no invigoration without commerce. Each of these is indispensable. We must unswervingly continue to support the healthy development of township and town enterprises developed by the rural areas by using their own capital, resources, and manpower. The development of township and town enterprises cannot be blocked. In compressing the atmosphere, we cannot try to attend to big and small matters all at once and put pressure on the township and town enterprises. Of course, we must also provide correct guidance for these enterprises and guard against blindness. This should improve their economic results and product quality.

Tian Jiyun also pointed out: Compressing the atmosphere does not mean compressing the atmosphere of reform either.

The relationship between reform and the drive to increase production and practice economy and increase revenue and economize expenditure is one of mutual links and stimulation. We must do very well at integrating both aspects. We must persevere in reform and deepen the reforms. Through reforms, we should promote the deepening development of the drive to increase production and practice economy and increase revenue and economize expenditure and ensure that it produces practical results.

Tian Jiyun said: The situation in rural Hubei is very good. The industrial situation is also good. I hope that Hubei will continue to work hard, do this year's work still better, and make still greater contributions.

STATE COUNCIL ISSUES GRAIN PURCHASE MEASURES

OW031347 Beijing XINHUA Domestic Service in Chinese 0820 GMT 2 Mar 87

[Text] Beijing, 2 Mar (XINHUA) — The State Council recently transmitted "Measures for Implementing Contract Purchase of Grain and for Supply for Chemical Fertilizer and Diesel Oil," formulated by the Ministry of Commerce and other units. The State Council General Office points out: Linking contract purchase of grain with the supply of chemical fertilizer and diesel oil, at subsidized prices and with the issuance of advance payments for contract purchase, is an important measure in mobilizing peasants' enthusiasm for grain production. People's governments at all levels must attend to this work and guarantee that this measure is implemented by relevant departments. We must study and solve the problems arising from implementation in good time, in order not to break our promise to the people.

The Ministry of Commerce, the Ministry of Agriculture, Animal Husbandry, and Fishery, and the China National Petrochemical Corporation stipulated in the "measures" subsidizing high-quality chemical fertilizer and diesel oil appropriated by the central authorities in connection with contract purchase of grain must be used exclusively for that purpose. Relevant central departments should evolve a special program and implement it at all levels. The principle for appropriating and supplying chemical fertilizer and diesel oil is: Fertilizer and oil should be distributed in connection with grain purchases; coupons should be issued in connection with fertilizer and oil; supply should be carried out by stages and in groups at fixed locations within a specified time; and special attention should be paid to the needs of the farming season. Grain departments at all levels must assign a leading comrade to take charge and appoint full-time personnel for this work. Grain departments should issue fertilizer and oil coupons to peasants (production units) in accordance with the prescribed standards, and under the measures for the issuance of coupons. They are not allowed to delay, embezzle, or detain coupons.

Agricultural means of production companies at all levels affiliated to supply and marketing cooperatives (commercial departments) and grass-roots supply and marketing cooperatives (grass-roots farm machinery oil supply centers) are units responsible for appropriating and supplying chemical fertilizer and diesel oil linked with grain purchase contracts. It is necessary to clearly assign responsibility for the appropriation and supply of farm chemical fertilizer at all levels. Grass-roots supply and marketing cooperatives (grass-roots farm machinery oil supply centers) are responsible for directly distributing chemical fertilizer and diesel oil linked with grain purchase contracts. They should report every consignment of chemical fertilizer or diesel oil received to the district or village government, make public their inventory to the peasants, and distribute the fertilizer and oil in accordance with the measures adopted by the county (city, banner) authorities.

Petroleum departments at all levels should draw up quarterly diesel oil appropriation plans in accordance with the special program assigned them from the higher levels, set aside a certain amount of their total resources for this purpose, and deliver it on a priority basis.

Agricultural and farm machinery departments should guide the peasants to use chemical fertilizer and diesel oil in grain production. Under the precondition that peasants' decisionmaking powers are fully respected, coupon holders may exchange their coupons with peasants owning farm machinery, collective farm machine stations, or brigades for their services. The cost of such services should be calculated on the basis of subsidized diesel oil. As for fields cultivated under a unified plan, but divided by individual households for field management purposes, as well as villages and groups of villagers which receive services from farm machinery teams on a contract basis, village committees or group of villages may, with the consent of the peasants, sign a unified grain sale contract and draw the oil coupons and purchase oil for grain production farm machinery operations under a unified plan.

Railway and other transportation departments should give priority to the transfer and transportation of chemical fertilizer and diesel oil linked to grain contracts. Ports should give priority to ships carrying chemical fertilizers in docking, unloading, and delivery.

Industrial and commercial administrative departments should strengthen management of the chemical fertilizer and diesel oil markets and ban resale of chemical fertilizer and diesel oil coupons at a profit. However, peasants are allowed to supply each other. Coupon forgers should be dealt with according to law.

Leading cadres and functionaries of people's governments at all levels, as well as departments dealing with grain, chemical fertilizer, and diesel oil, should implement the policy in an exemplary way. No department, unit, or individual is allowed to detain, divert, or embezzle coupons under any excuse or distribute them through the back door. If any such violation takes place, we must find out who is responsible and punish him severely.

LIAOWANG OVERVIEW OF MARKET GRAIN PRICE RISE

HK080431 Beijing LIAOWANG in Chinese No 8, 23 Feb 87 pp 22-23

[Roundup by LIAOWANG reporter: "View the Rise of Market Grain Prices Correctly"]

[Text] Recently, according to the reports from various rural markets, the prices of grain have generally gone up. The prices of rice, maize, and wheat, for example, have risen, on the average, to 0.73, 0.54, and 0.63 yuan per kilogram respectively. What is more surprising, in the past, when the autumn grain came to the market, the grain prices would drop. However, after this year's autumn harvest, market grain prices rose rapidly. According to an analysis, the scope of the grain price rise after the autumn harvest accounts for 53 percent of the overall scope of the grain price rise for the whole year. This situation has not been seen over the past 10-odd years. How should we look upon such a phenomenon? Recently, our Editorial Department received the information provided by Cao Xiaoning of the Rural Policy Research Center under the Secretariat of the CPC Central Committee, and XINHUA reporters Liu Jintong, Hua Guiqin, Zhan Zhongde, and Yang Shanqing, which can be a reference to us all.

The Rise of Market Grain Prices Does Not Mean a Reduction in Grain Output [subhead]

In 1986, our country reaped a rich grain harvest, with the total grain output reaching 39 million tons, an increase of 10 million tons over that of the previous year. According to the sample survey carried out by the State Statistics Bureau, by the end of 1986, the per capita grain stock of the peasants in the whole country had reached 286 kilograms, a rise of 22 kilograms over that in the same period in 1985, and an eight percent increase, and a rise of 6.9 kilograms compared with that in the corresponding period in 1984 which was also a rich harvest year. Deducting seeds and forage grain, the per capita grain ration by the end of 1986 had reached 177 kilograms, which could feed a person for 8 months. The per capita grain ration of the peasants in Fujian Province, Guangdong Province, Guangxi Zhuang Autonomous Region, Guizhou Province, and Henan Province was relatively low, and could feed a peasant for 6 months.

At first, people were worried. This was because when the newspapers reported an increase in the grain output, the market grain prices were still going up. Had there been a false report on the grain output? With this question in mind, XINHUA reporters carried out a special investigation. The result of the investigation showed that there had been no false reports on the grain output. The reporters went to Hunan Province, Hubei Province, and Jiangxi Province to investigate the situations there. Everywhere they went, no matter whether it was plain or hilly land, the peasant households in the areas where the grain output had increased had relatively bigger grain stock. According to the report given by Jingzhou Prefecture of Hubei Province, if the grain prices had been a little higher, the prefecture would have been able to buy 0.1 billion kilograms more grain from the peasants. In 1986, the grain output of Hubei Province reported by the Hubei Provincial People's Government and the agricultural department concerned was 22.75 billion kilograms, a rise of 0.6 billion kilograms over the previous year. However, the result of the sample survey conducted by the Statistics Department showed that the actual grain output of Hubei Province had probably reached 23 billion kilograms. The situation that the figure provided by the Statistics Department was bigger than the one provided by the Agricultural Department had rarely been seen before. The situations were also the same in Hunan Province and Jiangxi Province. Some cadres frankly told the reporters that the purpose in leaving some margin in reporting the grain output was aimed at enabling the peasants to sell more grain at negotiated prices, further develop the livestock breeding and food processing industries so as to increase the incomes of the peasants by increasing the value of the grain through grain processing.

What Is the Root Cause of the Rise in Market Grain Price? [subhead]

Since there had been no false reports on grain output, why did the grain demand exceed the supply on the market, and why did the market grain prices go up? According to the investigations, the main reasons are:

1. The amount of grain consumed and transformed had increased. Over the past two years, Hunan Province, Hubei Province, and Jiangxi Province have found it "difficult to sell grain." Therefore, the leaders at various levels have stressed the importance of locally transforming and developing the food processing industry. And so far initial results have been achieved in this work. The situation of Jiangxi Province shows that in recent years, owing to the development of the food industry and the relevant forage industry, last year, Jiangxi Province consumed 0.45 billion kilograms more grain than 1984. [paragraph continues]

The amount of grain consumed by the various industries of the province increased from 0.1 billion kilograms in 1984 to 0.3 billion kilograms in 1985. For these two reasons, the province had to consume an additional 0.65 billion kilograms of grain in 1986. Hunan Province raised 0.199 million more pigs in 1986 than in 1985, thus consuming an additional 0.1 billion kilograms of forage grain than the year before. The situation of Hubei Province shows that because of the successive bumper grain harvests over the past few years, the rural areas have relaxed control on grain consumption and paid no attention to economically consuming grain. Apart from rice flour, bean curd, and rice sugar, the peasant households produced a lot of rice wine, and some peasants drink rice wine almost every day. According to the estimates of Puqi County, on average, each peasant household has used about over 50 kilograms of grain to make wine.

2. The grain circulation channels had been smoothed out. In the past, many areas imposed restrictions on the outflow of grain, and neither allowed the local peasants of other areas to come to buy grain. When autumn came, the peasants in the grain producing areas could only sell their surplus grain at low prices. As a result, grain prices plummeted. Now that the control on the grain market has been relaxed, when autumn grain comes to the market, the big and small vehicles of the provinces which are short of grain will swarm into the grain producing areas to buy grain. So, even when the grain producing areas reap a bumper harvest, the grain prices will still go up because of the excessive demand.

3. Some irrational factors appeared in the purchase and sale of grain. In readjusting the grain market prices, originally, government actions should not conform to the behavior of the peasants. However, when the reform first started, because of a lack of experience, many areas tried to conform government behavior to that of the peasants, thus intensifying the fluctuation of market grain prices. Between 1984 and 1985, the complaint that "it is difficult to sell grain" was frequently heard, and the market grain prices nearly plummeted to the bottom. At that time, the government should have bought in more grain to stop the continued drop of the market grain prices. However, instead of buying more grain, the government formulated a series of measures, deciding to sell billions of jin of grain on the market, thus objectively accelerating the continued drop of market grain prices. Ironically, after the autumn of 1986, when the market grain prices went up, the governments at various levels competed with the peasants in buying grain. By the end of November 1986, the state had bought 66 percent more grain at negotiated prices compared with the corresponding period of the year before. Furthermore, in order to fulfill the contracts, some local governments adopted extreme measures which resulted in a rebellious mentality on the part of the peasants, promoting a further rise in market grain prices.

4. In the market competition, there had not been a strong and effective coordinating organization. After the autumn of 1986, when the panic grain purchase was struggling against the blockade imposed on grain sales, and the irregular competition further intensified, the central government could hardly control the grain market, and there had not been a strong and effective organization to coordinate the behavior of the people's governments at various levels and the behavior of the various departments on the grain market, a temporary disorder emerged on the grain market.

The Advantages and Disadvantages of the Rise in Market Grain Prices [subhead]

When market grain prices go up, some people are delighted while others are worried. What on earth are the advantages and disadvantages involved in the rise of market grain prices?

It is learned that the majority of the cadres and masses believe that although the market grain prices have gone up, the market grain prices have not yet deviated from the value of the grain, and therefore, the rise of the market grain prices is a reasonable phenomenon. This is because of the situation concerning the grain on the market. For example, cereal sells for only 50 to 54 yuan per hundred kilograms. Around 10 percent of the peasants' commodity grain is sold to the state, which means that the peasants' commodity grain sells, on the average, for only 31.18 yuan per hundred kilograms, and only 30 percent of the peasants' commodity grain is sold on the market. With the production cost factored in, the income from the grain sale is lower than the average income from the sale of 12 other farm products, such as cotton, bast-fiber plants, cured tobacco, tea, daylily buds, sugarcane, red pepper, lotus roots and lotus seeds, mandarin oranges, peanuts, live fish and so on.

In the meantime, the rise in market grain prices will arouse the peasants' enthusiasm for growing grain. In Hubei Province, our reporter visited some grain farmers and big grain-producing households in Jianli County which produces the most grain in the province. Because of the rise of the market grain prices, these peasants all plan to grow more grain and reap a richer grain harvest in the new year. According to the detailed investigations conducted in Hunan Province, Hubei Province, and Jiangxi Province, this year, the grain-growing areas of the three provinces will be further expanded, among which, the hybrid rice-growing areas will be increased by a total of over 4 million mu compared with last year, which means an additional 0.5 billion kilograms of grain will in turn be produced this year.

However, the rise in market grain prices has also brought about some negative factors:

1. The rise in market grain prices has affected the breeding industry. For example, at the beginning of last year, Huage Town of Nanxian County of Hunan Province had altogether more than 1,900 households specializing in raising pigs, but now only a very few households are still engaged in pig raising. A survey conducted in 61 households specializing in duck raising in Yiyang Prefecture of Hunan Province shows that during the last 10 days of September of 1986, the households specializing in duck raising had only a total of 14,825 ducks, a drop of 26.6 percent compared with the situation at the beginning of 1986, and a drop of 71.9 percent compared with the situation in the corresponding period of 1985.

However, according to an analysis, although the rise in market grain prices have had an impact on the breeding trade of ordinary peasants, the degree of the impact has not been very big.

2. The processing industry and catering trade, whose raw materials are grain, have also been affected by the rise of the market grain prices in varying degrees, among which, the processing industry, the wine-making industry in particular, which consumes more grain, has been more seriously affected. Because the market grain prices have gone up and the prices of other products have not been allowed to go up correspondingly, some factories have found it difficult to balance their incomes and expenditures. The directors of some wineries complained: "Most of the grain we are using is bought at negotiated prices. Now, the market grain prices have gone up, our enterprises cannot digest them. We want to raise the prices of our products, but the price department does not agree. If things go on like this, our enterprises will be closed sooner or later."

Over 40 of the 104 state-owned wineries in Hubei Province became losing enterprises last year, an increase of 30 losing enterprises compared with 1985.

Although the pastry and catering trades have been affected by the rise in market grain prices, most comrades think that the impact has not been too big because the enterprise operators have been able to tackle the problem by collecting grain coupons from the consumers, and then using the grain coupons to buy grain at government prices.

3. The rise in market grain prices have also caused some difficulties to the livelihood of the masses.

As for the above problems, some cadres in the rural areas believe that so long as the revenue departments, the price departments, and the civil administration departments closely cooperate with one another, these problems will finally be solved.

RENMIN RIBAO COMMENTATOR URGES MOTIVATING PEASANTS

HK040913 Beijing RENMIN RIBAO in Chinese 3 Mar 87 p 2

[Commentator's article: "Winning the People's Confidence"]

[Text] It will be a very arduous task to produce 40.5 billion [figure as published] tons of grain this year, as the annual plan requires. This requires effective policies and measures for arousing peasants' enthusiasm for increasing grain production. One of the major measures is to link contract purchases of grain with the supply of chemical fertilizer and diesel oil at subsidized prices and with the issuance of advance payments for contract grain purchases, which is also called the "three links" measures.

It is crucially important to put the "three links" measure into actual practice. In order to guarantee such links, the relevant departments of the State Council have specially allocated certain quantities of chemical fertilizer and diesel oil and a fund for advance payments for the contract grain purchase. The fund and the materials will be distributed to various localities level by level. At the same time, localities will also allocate additional amounts to the fund and additional quantities of fertilizer and diesel oil in light of their specific conditions. The present situation shows that most localities have made good preparations for the implementation of the "three links" measure, and now they are assigning distribution quotas to lower levels. However, there are still a lot of things to do in order to really deliver the materials and funds to the hands of the peasants. Where should the "links" be placed? The peasants are worried that the materials and funds may be withheld and swallowed by leading cadres or functionaries at various levels or may be delivered to the hands of go-between traders who turn the subsidized prices into a steep price. Therefore, all departments concerned from the central government to local governments should closely cooperate and clearly divide responsibilities among them. A strict system for supervising the implementation of this measure should be established; special accounts should be kept and the materials and money should be managed by special personnel; strict procedures should be followed in order to prevent the abusive issuance and embezzlement of the distribution coupons; no one is allowed to withhold these materials and money or divert their use; and lawbreakers who forge or resell the supply coupons must be punished according to law.

So long as governments assign special personnel to take charge of this work and lay down clear and concrete regulations on gathering and distributing the materials concerning the "three links" measure, and help the departments concerned solve problems in good time, we will ensure that the fertilizer, diesel oil, and advance payments will really be passed to the hands of the peasants (or production units) who sell grain to the state. This matter must not be taken lightly. Only by doing this seriously can we win people's confidence and encourage peasants to increase grain production.

GUANGXI CONFERENCE SETS FAMILY PLANNING TASKS

HK110555 Nanning Guangxi Regional Service in Mandarin 1030 GMT 10 Mar 87

[Text] The specific tasks of our region's family planning work for this year are that the whole region's population birth rate must be kept within 17.7 per thousand and that the whole region's proportion of births exceeding the plan must be reduced to 16 percent or still lower. These tasks were put forward at a regional conference on family planning work held from 3 to 6 March in Lipu County.

In 1986, our region's family planning work made new progress. The region's population birth rate, natural population growth rate, and proportion of births exceeding plan in 1986 were respectively reduced by 0.97 per thousand, 0.80 per thousand, and 3.44 percent compared with 1985. Backward areas in family planning work achieved tangible results in transforming themselves in 1986. Of the 40 counties and cities with their 1985 proportion of births exceeding the plan by over 30 percent, 20 counties and cities managed to reduce the proportion to 30 percent or still lower in 1986. Counties and cities with tangible results in reducing large population and in lowering the proportion of births exceeding the plan have been further consolidated and developed. These achievements resulted from the efforts made by party committees and people's governments at all levels to further strengthen leadership over family planning work and from the energetic support offered by all relevant departments.

Representatives attending the conference noted: To achieve this year's goals, we must continue to firmly and successfully grasp the family planning work, bring the family planning work into the orbit of building spiritual civilization, stabilize and perfect the current policies on bearing children, continue to successfully grasp the work of transforming backward areas in family planning, and strengthen the management of contraceptives and the building of family planning departments.

Tao Aiyang, deputy secretary of the regional party committee, attended and addressed the conference. She said: We must correctly appraise the past few years' situation of family planning work in our region, further strengthen party and government leadership over the work, guard against empty and idle talk, and do more practical work.

HENAN CALLS FOR PROMOTING PARTY RECTIFICATION

HK060401 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 4 Mar 87

[Text] According to HENAN RIBAO, the provincial party committee held a provincial conference on party rectification work from 2-3 March. The conference conscientiously studied and discussed the following issues: How to successfully finish the village-level party rectification work which has gotten off to a good start; how to earnestly solve leftover problems in party rectification; and how to promote the summation of party rectification and to further consolidate and develop achievements in party rectification.

Attending the conference were city and prefectural party committee secretaries responsible for party rectification work and directors of all city and prefectural offices for party rectification work. Attending and addressing the conference were Liu Zhengwei, deputy secretary of the provincial party committee and director of the committee's office for party rectification, and Zhao Di, deputy secretary of the provincial party committee and deputy director of the committee's office for party rectification work.

At present, 95 percent of village-level party branches engaged in party rectification work have finished or have basically finished the work.

The conference noted: Village-level party rectification work has made good progress, developed healthily, and scored notable achievements. Through education in the party spirit, the ideological and political quality of the vast numbers of party members has been enhanced, thus strengthening our party members' sense of serving the people. During the party rectification, our party members have done people a large number of good turns and have done a lot of practical work for the people, thus improving the image of our party, building closer relations between the party and the masses, solving a number of problems concerning serious misdeeds of using power to seek personal gain and serious violations of the law and discipline, and resolving some issues that were strongly objected to by the masses. Party disciplinary actions have been taken against those party members with serious problems.

Through checking up on financial matters in our rural areas, all kinds of questionable sums of money have been basically ascertained. Repayments have to far totaled 261.58 million yuan. Most public property that was unlawfully taken has been returned. Of the province's leading groups of village-level party branches that require readjustment and replenishment, over 90 percent of them have been readjusted and replenished. Our party rectification work has promoted the development of reform and the commodity economy and has also promoted all types of work.

The conference noted that the causes of the aforementioned achievements are: First, the leaders attached importance to the work; second, preparations were fully made; and third, relations between party rectification and all types of rural work were properly handled with prominence given to key points.

The conference stressed: Party committees at all levels must continue to strengthen leadership, prevent and get rid of any kind of slackness, and comprehensively and successfully finish their party rectification work, which has gotten off to a good start. For this reason, all areas must act in accordance with the central authorities' decisions and demands, comprehensively check up on village-level party rectification work, and adopt effective measures to conscientiously solve existing problems. Regarding those villages with relatively complicated conditions and more problems that have failed to successfully solve their problems, relevant county party committees must send key members to assist such villages in earnestly solving problems. In organizing the handling of work, all cities and prefectures must conscientiously maintain a rough balance [dazhi pingheng 1627 5899] among counties, all counties must also conscientiously maintain a rough balance among townships, and they must resolutely avert the phenomenon of obtaining confessions by compulsion and giving them credence. At present, we must not remove administrative bodies for party rectification at all levels nor must we relax our efforts. We must comprehensively and successfully finish our party rectification work, which has started well.

HENAN SECRETARY TALKS WITH UNIVERSITY MEMBERS

HK070257 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 6 Mar 87

[Excerpts] On 6 March, provincial party committee Secretary Yang Xizong went to Zhengzhou University for a chat with representatives of the students and teachers.

Since the opening of the semester on 23 February, teaching order has been normal in the university and the students' mental state has been stable.

During the chat, the students happily told the provincial party secretary that during their winter vacation, they had felt that many comrades in society were very concerned for them and cherished them. They said: As a result of practice in society, we have greatly changed our understanding and view of the previous student unrest. They all held that this way of doing things was wrong and ran counter to the four cardinal principles. They said: It was a manifestation of the confusion caused in our thinking by the rampant spread of the ideological trend of bourgeois liberalization. We can never do such stupid things again.

Yang Xizong said: There were many reasons for the student unrest. The main and basic reason was that they had been influenced by the ideological trend of bourgeois liberalization. The political meaning of bourgeois liberalization is to oppose the four cardinal principles, and its core is to oppose party leadership and take the capitalist road. Whether or not to uphold the four cardinal principles is a major issue that everyone must solve. [passage omitted]

Comrade Yang Xizong exhorted the students to greatly cherish the situation of stability and unity, which was not easily gained. Without such an environment, reform, opening up, construction, and teaching in the universities cannot be carried out. And to have an environment of stability and unity, it is essential to uphold the four cardinal principles, which are the basic guarantee for building the four modernizations.

Comrade Yang Xizong stressed that upholding the four cardinal principles and persevering in reform, opening up, and invigoration stimulate each other, and both are indispensable. With the four cardinal principles, reform and opening up have a reliable political guarantee and a stable environment. Opposing bourgeois liberalization certainly does not mean opposing opening up to the world. We absolutely cannot close the country to the outside world. We should refer to and learn everything in the world that is useful to us. However, we must apply the Marxist stand, viewpoint, and method to distinguish the quintessence from the dross. We must not, like Fang Lizhi, Wang Ruowang, and others regard capitalist dross as something precious and proceed to advocate it.

Yang Xizong expressed the hope that the students will reflect very carefully on the student unrest in the previous period and correctly decide on their political orientation and study goals. Through restudying Marxism, they should enhance their ability to distinguish between right and wrong, good and evil, and beautiful and ugly. He urged the student cadres to take a firm and clear-cut and work boldly in the struggle against bourgeois liberalization. However, they must pay attention to methods. They must not behave arrogantly, but convince people with reasoning. As for those students who took part in the unrest, so long as they understand their mistakes through study and education and are able to make progress, we should welcome them and should not discriminate against them. So long as they have not broken the law, they should not be held accountable.

In conclusion, Yang Xizong encouraged the students, saying: You are a generation of great hope. You should study hard and strive to steel yourselves into a generation of new people with ideals, morality, culture, and discipline.

HUBEI'S SECRETARY STRESSES EDUCATION, LIBERALISM

HK091536 Wuhan Hubei Provincial Service in Mandarin 1000 GMT 7 Mar 87

[Excerpts] On 5 March, Guan Guangfu, Zhao Fulin, Qian Yunlu, and Liang Shufen, responsible comrades of the provincial party committee and the provincial government, attended a forum of party committee secretaries and presidents of 33 universities and colleges in the Wuhan area to discuss the following issues: upholding the four cardinal principles, opposing bourgeois liberalization, comprehensively implementing the educational policy, and continuing the reform within the educational sphere. Also attending the forum were Wang Mingquan, vice mayor of Wuhan City, and responsible comrades of relevant provincial departments. Comrade Qian Yunlu presided over the forum. [passage omitted]

The participants unanimously noted: Overall, the situation in our universities and colleges is good. However, we must not be satisfied with the existing state of affairs but must continue implementing the line of the 3d Plenary Session of the 11th CPC Central Committee, further strengthen and improve our ideological and political work, consolidate and develop the political situation of stability and unity, and ensure the fulfillment of all teaching tasks according to plan.

Some comrades also said: Some real problems in our universities and colleges remain to be solved. We hope to further strengthen leadership over work in our universities and colleges, and to create as far as possible some necessary working, study, and living conditions for teachers and students.

After listening to these views, Comrade Guan Guangfu delivered an important speech. He said: Today you have all introduced a wealth of experiences. This fully shows that the current situation in our universities and colleges is very good. We should not lose sight of the fact that the political situation of stability and unity in our universities and colleges not only has an important bearing on the normal work in schools but also has a very important bearing on the whole society's stability and unity and on our reform and construction. [passage omitted]

Comrade Guan Guangfu stressed: To consolidate and develop the excellent situation of our province's universities and colleges, it is imperative to conscientiously and successfully promote work in the following aspects:

First, we must adhere to the socialist orientation of running schools. Comrade Guan Guangfu said: The basic task of our universities and colleges is to train the qualified personnel with lofty ideals, moral integrity, good educational background, and a high sense of discipline, which are needed for promoting socialist construction. Opposing bourgeois liberalization has a direct bearing on adhering to the correct orientation of running schools, comprehensively implementing the party's educational policy, and continuing the educational reform. [passage omitted] We must conduct education about special ideological and theoretical topics, strengthen reform of the course in Marxist theory, strengthen links in the social practice, strengthen contacts between the cadres and teachers and the vast number of students, and enable our ideological and political work to truly suit the needs of the new situation.

Second, we must further improve our work. Comrade Guan Guangfu said: There has been a very quick development of our universities and colleges over the past few years and our universities and colleges have also conducted some reforms. However, due to the lack of effective measures and due to the lack of guarantee provided by necessary rules and regulations, some bad common practices not only have not been rectified but have actually developed to some extent.

Therefore, we must strengthen management, establish and perfect all rules and regulations, and conscientiously implement such rules and regulations. While setting strict demands on students and carrying out strict management of students, we must not impose excessive restrictions on them. We must create conditions for enabling students to take the initiative in growing up in a lively manner and to foster the spirit of independent thinking and the spirit of being bold in making innovations.

Third, we must further strengthen the building of leading groups. Comrade Guan Guangfu said: To successfully run universities and colleges, we must rely on the four contingents, namely the contingent of teachers, the contingent of comrades of political work, the contingent of logistics personnel, and the contingent of key elements of the students. If the four contingents are successfully equipped with arms, our universities and colleges will win initiative in all types of work. The building of leading groups of our universities and colleges has always been the key issue of the work of universities and colleges. The great majority of leaders of the universities and colleges in our province have been capable of implementing the central authorities' line, guiding principles, and basic policies and have also been capable of resisting the obstructive and corrosive influence of the ideology of bourgeois liberalization. Overall, the situation is good. However, we must make further improvements in our work and make special efforts to further improve our ideological and political work. Our leading groups at all levels are facing a new test. We adopt a new attitude toward a new test.

Fourth, we must pay special attention to summing up our experiences. Comrade Guan Guangfu said: The unchecked spread of the ideological trend of bourgeois liberalization over the past few years has not been an accidental phenomenon. If we look back on the journey we made over the past few years, we can see that the ideological conditions of our students have been undulating, that the influence of macroclimate has been the major factor, and that the students' ideological conditions also have related to the work of universities and colleges. The influence of bourgeois liberalization has varied from school to school. This should evoke self-examination among us. On the basis of summing up their experiences, all universities and colleges must further implement the guiding principle of having education to serve socialist construction, strengthen the ties between education and social practice, and strengthen the ideological and political work. These are basic guarantees for training the qualified personnel needed for promoting socialist construction.

Fifth, all circles in our society must try in every possible way to create conditions for universities and colleges. Comrade Guan Guangfu said: Over the past few years, responsible comrades of the provincial and city party and government organizations have repeatedly visited universities and colleges to acquaint themselves with the situations there. In addition, all relevant departments have proceeded from the overall situation, organized special groups to visit universities and colleges to heed opinions and to make investigations and studies, and have done a lot of work to solve some existing problems in universities and colleges. However, due to the relatively quick development of universities and colleges over the past few years, there are still quite a few problems in running universities and colleges. These problems must be conscientiously solved. We must mobilize forces from all walks of life to help universities and colleges get over difficulties and reduce pressures upon the work in universities and colleges. Regarding the decisions on solving problems as made by the provincial party committee and the provincial government in the past, all relevant departments must pay close attention to implementing the decisions to the letter. After this forum, we must solve some additional problems.

Zhao Fulin and Qian Yunlu delivered speeches on strengthening the ideological and political work in universities and colleges and on further strengthening and improving the party leadership over universities and colleges.

NEI MONGGOL SECRETARY ADDRESSES STUDENTS

SK070730 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 2 Mar 87

[Text] In his speech to a meeting of some teachers and students of higher educational institutions in Hohhot held on 2 March, Zhang Shuguang, secretary of the regional party committee, pointed out: Higher educational institutions should focus ideological and political work on adhering to the four cardinal principles and opposing bourgeois liberalism during the new semester. Through positive education and study, the vast number of teachers and students will upgrade their understanding and further consolidate and develop the stable and united situation in higher educational institutions throughout the region.

The meeting was presided over by Bu He, deputy secretary of the regional party committee and chairman of the regional government. Attending the meeting were more than 1,200 people, including regional party and government leaders Zhou Rongchang, Wen Jing, Liu Yunshan, Bai Junqing, and Zhao Zhihong, and teachers and students from seven higher educational institutions in Hohhot City.

In his speech, Comrade Zhang Shuguang first introduced teachers and students to the nature and significance of the work of opposing bourgeois liberalism.

He said: Since the 3d Plenary Session of the 11th CPC Central Committee, the party Central Committee has guided the people of all nationalities throughout the nation to adhere to the four cardinal principles and persist in the principles of conducting reform, opening the country to the outside world, and enlivening the domestic economy. Thus, all trades and professions and all fronts have scored achievements that attract worldwide attention, and an excellent situation characterized by stability and unity has emerged throughout the nation. However, we must also see that an ideological trend of bourgeois liberalism which has taken shape over the past few years in our nation tends to change our socialist system and guide our country to take the capitalist road. Therefore, the party Central Committee clearly pointed out that the crux of advocating bourgeois liberalism, negating the socialist system, and advocating the capitalist system is to negate the party leadership. The current struggle decides whether or not the line, principles, and policies set forth since the 3d Plenary Session of the 11th CPC Central Committee can correctly be persisted in. It decides what kind of generation will inherit our undertakings and also concerns the destiny of the party and nation and the future of socialism. Thus, teachers, students, and working personnel should deeply understand the importance and long-term significance of the struggle, and should have a clear-cut stand and take a firm attitude to enthusiastically catch up with the plan of the central authorities and the development of the situation.

Comrade Zhang Shuguang said: As far as the entire nation's concerned, the influence of bourgeois liberalism over higher educational institutions is rather serious. The disturbances created by some students at the end of last year were a big lesson for us. This is worth pondering.

Comrade Zhang Shuguang pointed out: Nei Monggol is one of the provinces, municipalities, and autonomous regions where there were no student disturbances. This resulted from the fact that we have done our work in a solid manner in strict accordance with the instructions of the party Central Committee and have adopted proper methods for persuasion and education, and that college students in the region have a profound understanding of the advantages brought about to the people of all nationalities by the line, principles, and policies set forth since the 3d Plenary Session of the 11th CPC Central Committee and have cherished the political situation characterized by stability and unity.

Teachers, students, and working personnel of all schools have conscientiously upgraded their ideological and political quality thanks to strengthening ideological and political work over the past few years. Therefore, they are able to stand up to the test — such a big political storm. We can completely trust them.

Comrade Zhang Shuguang called on teachers and students to clearly distinguish truth from falsehood in the face of such major issues of principle as persisting in the party leadership, the socialist road, democracy, legality, freedom and discipline.

He pointed out: Over a period of time, Fang Lizhi, Wang Ruowang, and Liu Binyan took advantage of all opportunities to write articles and reports to uglify the party leadership, to oppose the four cardinal principles, and to advocate bourgeois liberalism in a big manner. We must organize the vast number of the masses to criticize the absurd theories spread by them, clearly distinguish truth from falsehood, and correct our orientation.

In his speech, Comrade Zhang Shuguang set forth several requirements on how to further improve and strengthen the ideological and political work of higher educational institutions.

First, we must carry out the struggle to adhere to the four cardinal principles and oppose bourgeois liberalism in strict accordance with the relevant documents of the central authorities. We should pay special attention to grasping the scale, priorities, and policies of the struggle. The struggle is strictly limited to the party with the emphasis on solving questions regarding fundamental political principles and political orientation in the political and ideological field. We should focus on conducting positive education among party members in higher educational institutions.

Second, we should organize and educate students to study the relevant documents of the central authorities and to study and disseminate the decision of the NPC Standing Committee on strengthening legal education to maintain stability and unity. We should work out plans, make rational arrangements, and make time to study these documents. Education on Marxist and Leninist theories must be carried out properly in line with the current struggle, the actual conditions of schools, and the student's thinking. Through conducting this education, we should explain problems to the students. School party committees should further strengthen the work of educating and administering party-member CYL-member students, and should cultivate a group of key students to further strengthen the relations between the party organizations at all levels and the vast number of the students. School party organizations should strengthen leadership over CYL work in order to make CYL committees play the role of party assistant and to keep in touch with the youths.

Third, higher educational institutions should be strong fronts to build the socialist spiritual civilization and to resist the influence of bourgeois ideology. Thus, we are never allowed to take a laissez-faire attitude toward but must adopt measures to conscientiously correct the rostrums of higher educational institutions. Teachers should treasure the sacred rostrums of higher educational institutions and should never take advantage of the opportunity to give lectures spreading theories with contents that violate the four cardinal principles and the line, principles, and policies set forth since the 3d Plenary Session of the 11th CPC Central Committee. Rear-service administrative departments of schools should do more solid work for teachers and students and help solve their actual difficulties. School leaders should warmly welcome criticism and opinions made by teachers and students, should enthusiastically accomplish the reasonable requirements that can be accomplished, and should make explanations of those unreasonable opinions.

Fourth, we would advocate the principle of developing education through arduous labor, diligence, and frugality; and educate students to foster a fine work style of hard work, plan living, diligence, and thrift.

Comrade Zhang Shuguang finally encouraged students to study hard and intensively; to bravely scale heights; to be diligent, thrifty, modest, and sincere; to strive to stand in the forefront of the socialist spiritual civilization; and to create a perfect image in building the spiritual civilization.

SHANXI LEADERS AT OPENING OF RURAL WORK MEETING

HK010603 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 28 Feb 87

[Excerpts] A provincial rural work conference opened in Taiyuan on 28 February. The main agenda of the meeting is to study principles, policies, and major measures for rural reforms and further economic development this year in light of the economic situation there.

Provincial party committee Deputy Secretary Wang Jiangong spoke at the meeting. He said that the political and economic situation in rural Shanxi is very good. Rural reforms have scored notable achievements. The reforms have invigorated the rural areas and brought a situation of vigorous development. [passage omitted]

He said: In view of the fact that grain production in Shanxi has declined for 2 successive years, we must certainly not slacken work in agriculture in the slightest. We must mobilize all forces to do everything possible to improve agriculture. The provincial party committee demands that the leaders at all levels, especially country-level, regard agricultural production as the top-priority affair in economic work. All sectors and trades must regard agriculture as an important issue of common concern and provide vigorous support in striving for a bumper harvest this year.

Grain is the main item in agricultural production. We must put grain production in the first place and devote great effort to grasping it well. At present we should do a good job in the following tasks without missing the season:

1. Step up tending of the wheat crop. [passage omitted]
2. Do a good job in producing, supplying, and transporting materials needed for spring farming.
3. The agricultural banks and credit cooperatives must do a good job in promoting capital flow and ensure the needs of spring farming.

Wang Jiangong said: Beginning this year, we should focus on the following matters, centered on increasing input, striving to improve the production conditions, and boosting the reserve strength of agriculture:

1. Strengthen land management and strictly control the use of land for non-agricultural purposes. [passage omitted]
2. Continue to improve alkaline land and medium and low-yielding fields, and strive to raise fertility. [passage omitted]

3. Repair, round off, upgrade, and improve the water conservancy facilities, and ensure no reduction in the existing irrigated land.
4. Speed up the popularization of applied technology.
5. Bring into full play the role of farm machinery.
6. Carry out surveys of agricultural natural resources and promote agricultural zoning.
7. Continue to improve meteorological services for agriculture.

Provincial party committee Secretary Li Ligong also spoke at the meeting. He said: There are many new topics that need researching in order to raise the province's rural work to a new level. All sectors and trades have a responsibility in deepening the rural reforms. The industrial, financial, commercial, and other departments of the prefectures and cities should cooperate with each other and coordinate rural and urban reforms.

We must not underestimate the difficulties in striving for a big development in the province's grain production this year. The present drought is very serious. Fighting drought is a long-term task in Shanxi. The prefectures and cities must not wait for and depend on assistance from elsewhere. They must mobilize the initiative of all sectors. The provincial organs must improve their services. [passage omitted]

Vice Governor Guo Yuhuai presided at the meeting. Present were leading comrades of the provincial party committee, People's Congress Standing Committee, and government including Li Ligong, Wang Senhao, Wang Jiangong, Bai Qingcai, Wang Tingdong, and Guo Yuhuai. [passage omitted]

SHANXI IMPROVES TELECOMMUNICATIONS SERVICES

OW110357 Beijing XINHUA in English 0133 GMT 11 Mar 87

[Text] Taiyuan, March 11 (XINHUA) -- Shanxi Province, China's leading coal producer, now offers telephone subscribers in its capital direct-dialing service to 100 cities nationwide, a local official said.

"The city also provides a paging service which is operable within a 30 kilometer radius and so far the service has 318 subscribers," the official said, adding express facsimile service from Taiyuan to all other cities and regions of the country is now available.

The provincial Posts and Telecommunications Bureau imported a computer-controlled switchboard and telegram transmitter from Switzerland in 1985, so now urban telephone subscribers can dial directly to more than 100 foreign countries.

Now posts and telecommunications services are available in almost every village and at 5,500 peasant mines in the province, even though 80 percent of the province is mountainous, the official said.

To date, 142 postal saving banks have been set up at the county level where savings deposits totalled 20 million yuan (5.4 million U.S. dollars) at the end of last year.

NORTHEAST PROVINCES OUTLINE ECONOMIC TARGETS

SK040819 Shenyang DONGBEI JINGJI BAO in Chinese No 125, 17 Feb 87 p 1

[From the "Northeast Provinces' Prospects for 1987 Economic Work" column]

[Text] In 1987 Heilongjiang Province plans to increase its total industrial and agricultural output value from 5.4. to 6.1 percent. Of this increase, that of total agricultural output value will reach 5 percent, that of total industrial output value will reach 5.5 or 6.5 percent, and that of GNP will reach 6.1 percent. To this end, a good job should be done in emphatically grasping the following tasks:

1. Efforts should be made to accelerate the pace of building marketable grain bases with the focus on soybean production and by regarding the base construction as central work, so as to develop an agriculture that is full of grain bases and can earn more foreign exchange. The province plans to realize 34 billion jin in its total grain output and 8 billion yuan in the total output value scored by the town enterprises, a 30-percent increase over the 1986 figure.

2. Efforts should be made to actively readjust the structure of industrial products. The province plans to upgrade the rate of fine quality industrial products to more than 22 percent, to develop 2,500 new products, and to renew the variety of 20-percent light and textile industrial products.

3. Efforts should be made to enhance the construction of power and communications projects. Of these projects, the construction of the No 2 generating set of the Harbin No 3 Power Plant, the No 4 generating set of the Funchun No 2 Power Plant, the supplementary railway between Binzhou and Binsui, and of the Harbin railway hub should be regarded as key work. The province also plans to have the highway and waterway transport units respectively share 5.5 million tons of transport burden from the railway units.

4. Efforts should be made to expand exports to earn more foreign exchange. In 1987 the province plans to earn \$600 million in foreign exchange.

5. Efforts should be made to actively support the poor and border areas to develop their economy. In 1987 the province plans to appropriate 100 million yuan for projects in this regard. Various departments must ensure their 15-percent investment is used for local construction.

In 1987 Jilin Province plans to chiefly grasp the following tasks in economic construction.

1. Efforts should be made to maintain a stable increase in grain production. The province plans to realize 30 billion jin of grain output and to upgrade the standard of the rural commodity economy in an overall way.

2. On the premise of increasing economic results, efforts should be made to maintain proper speed in scoring industrial production increases and to actively readjust the structure of products. The province plans to realize a 7-percent increase in total industrial output value and to organize its industrial production in line with the standard of an 8-percent increase.

3. A good job should be done in developing various sectors of the economy and achieving a marked breakthrough in developing the collective economy in both the urban and rural areas. [paragraph continues]

Collectively owned industrial enterprises are urged to score a 15-percent increase in their output value, and town enterprises are urged to strive to score a 30-percent increase in this regard.

Meanwhile, the people's governments and departments at all levels throughout the province should further enliven commodity circulation, enhance investment management, and do a good job in integrating science and technology with the economy to promote technical progress and to enliven the money markets. In addition, on the basis of achieving stable development in the economy, efforts should be made to regard the current tasks as basic work, to have long-term targets in mind, and to do a good job in formulating the long-term plans of the Seventh 5-Year Plan at all levels and making work preparations for the upcoming stage. Continuous efforts should also be made to improve the people's livelihood, to do practical deeds for urban construction, to enhance the building of spiritual civilization, and to bring into full play the assured role of ideological and political work in conducting reforms and economic construction.

In order to fulfill the tasks in the drive to conduct reforms this year, the Liaoning provincial party committee and the provincial people's government have decided to make somewhat of a breakthrough in enlivening the large and middle-sized enterprises.

First, the large and middle-sized enterprises may enforce various responsibility systems in their management and operation, and the small industrial and commercial enterprises should extensively carry out the contract and rent systems in their business. Collectively owned enterprises and small state enterprises should extensively enforce the stock system, and a number of large and middle-sized state enterprises may take up the pilot work of enforcing the stock system. Some small state commercial and service enterprises may conduct their sales at reduced prices and sell their stock. Prior to generally enforcing the state "bankruptcy law," in 1987 the province plans to adopt measures for first dealing with bankruptcy cases cropping up among the small state and collectively owned enterprises throughout the province.

Second, efforts should be made to deepen the drive to conduct reforms among the enterprises and particularly to conduct reforms in coordinated projects within the large and middle-sized enterprises. On the premise of not surpassing the total wages and not affecting the bonus taxes handed over to the state, enterprises have the right to determine their distribution measures suitable to their actual situation. The original wage scales of staff members and workers can be regarded as filing wages for personnel transfers, dismissals, and retirement. They can combine the usage of both wages and bonus systems.

Third, efforts should be made to continuously reduce or exempt the regulating taxes of light and textile industrial enterprises and of other large and middle-sized enterprises that have conducted major technical renovations. The province will collect income taxes only and refrain from collecting regulating taxes from enterprises that have increased their incomes by making use of their own funds, and will reduce the rate of income taxes to 40 percent. The province will adequately lower the product taxes of textile industrial enterprises and of some light industrial enterprises and the rate of appreciation taxes. All industrial enterprises should conduct various depreciation in line with their actual situation and gradually upgrade the rate of depreciation. With the approval of the financial departments, machinery and electronic enterprises with intensive technology should adopt measures for accelerating depreciation. All of the 30-percent depreciation funds that are still being held by the higher departments should be given to these enterprises, and efforts should be made to refrain from collecting funds for building energy and communications projects from them.

HEILONGJIANG HOLDS PEOPLE'S CONGRESS MEETING

SK050255 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 3 Mar 87

[Text] The 26th Standing Committee meeting of the 6th Heilongjiang Provincial People's Congress was held in Harbin today. At a plenary session this morning, the members heard a report by Vice Chairman Zhang Ruoxian explaining the preparations for the fifth session of the sixth provincial People's Congress and the draft schedule of the session and approved a decision on convening the fifth session of the sixth provincial People's Congress; heard a report by Vice Chairman Wang Pili on the examination of the credentials of the deputies elected through by-elections since the fourth session of the sixth provincial People's Congress; a report by Vice Chairman Wang Jun explaining the draft of the projected namelist of the presidium and secretary general of the fifth session of the sixth provincial People's Congress, the relevant motions, and the draft of the projected namelist of the Budget Examination Committee; a report by (Li Yan), deputy director of the Legal Office of the provincial People's Congress explaining the draft resolution on studying and implementing the NPC Standing Committee decision on intensifying legal education to maintain stability and unity; a report by (Kang Yuhu), deputy director of the Economic Office of the provincial People's Congress explaining the revision of the draft regulations on protection and management of wild medicinal herb resources; a report by (Lu Tao), director of the economic office of the provincial People's Congress explaining the revision of the draft regulations on management of highway transportation; a report by (Liu Guozhen), director of the general office of the Electoral Committee of the provincial People's Congress explaining the revision of the detailed regulations on elections of deputies to county and township people's congresses; and a report by Qu Shaowen, acting secretary general of the provincial People's Congress, on some questions concerning elections of deputies to the next people's congresses at various levels.

Li Jianbai, chairman of the provincial People's Congress Standing Committee, presided over this morning's session. Vice chairmen Chen Yuanzhi, Lu Guang, Wei Zhimin, Wang Jinling, Wang Zhaozhi, and Zhao Zhenhua attended. Vice Governor He Shoulun; Zhang Li, president of the provincial Higher People's Court, and Jia Chengwen, chief procurator of the provincial People's Procuratorate, attended as nonvoting delegates.

The members began group discussions this afternoon.

Meeting Ends

SK081159 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 7 Mar 87

[Text] The 26th Standing Committee meeting of the 6th Heilongjiang Provincial People's Congress ended today. At today's plenary session, the members adopted the draft agenda of the fifth session of the sixth provincial People's Congress, the projected namelists of the presidium and secretary general, and the projected namelists of the motions examination committee and the budget examination committee; adopted the draft resolution on studying and implementing the NPC Standing Committee's decision on intensifying legal education to maintain stability and unity, and the draft work report of the provincial People's Congress Standing Committee; adopted the provincial regulations on management of highway transportation and the provincial regulations on protection and management of wild medicinal herb resources; and the detailed provincial regulations on elections of deputies to county and township people's congresses. The members also adopted the major points of the 1987 work of the provincial People's Congress Standing Committee and a namelist of newly appointed and removed cadres.

Chen Yuanshi, vice chairman of the provincial People's Congress Standing Committee, presided over today's meeting. Attending the meeting were Li Jianbai, chairman of the provincial People's Congress Standing Committee; and Lu Guang, Wei Zhimin, Wang Jinling, Liu Huixian, Wang Pili, Wang Zhaozhi, Zhao Zhanhua, and Zhang Ruoxian, vice chairmen of the provincial People's Congress Standing Committee. Liu Zhongli, provincial vice governor; Zhang Li, president of the provincial Higher People's Court; and Jia Chengwen, chief procurator of the provincial People's Procuratorate, attended the meeting as nonvoting delegates.

JILIN CPPCC COMMITTEE SESSION OPENS 3 MAR

SK050231 Changchun Jilin Provincial Service in Mandarin 2200 GMT 3 Mar 87

[Excerpts] The Fifth Session of the Fifth Jilin Provincial CPPCC Committee ceremoniously opened at the assembly hall of the provincial CPPCC Committee on the morning of 3 March. [passage omitted]

A total of 354 CPPCC members from various localities of the province enthusiastically came to the meeting hall in succession. They were responsible persons and members of democratic parties; people of cultural, scientific and technological, and educational circles; people of minority nationalities; people of religious circles; Taiwan compatriots and their relatives, returned Overseas Chinese and their family members; and nonparty people. With a strong desire of the people of all circles throughout the province for deepening reform, developing the four modernizations, and rejuvenating Jilin, they gathered together to discuss the matter of vital importance on rejuvenating Jilin.

Attending the opening ceremony were Liu Jingzhi, chairman of the provincial CPPCC Committee; and Zhang Fengqi, Zhang Dexin, Guan Mengjue, He Yunqing, Geng Yuelin, Luo Yuejia, Xin Cheng, Jin Minghan, Cai Qiyun, and Lu Shiqian, vice chairmen of the provincial CPPCC Committee. Extending greetings to the session were leading comrades of the Jilin Provincial CPC Committee, the provincial Advisory Commission, the provincial People's Congress, and the provincial government, including Gao Di, Wang Daren, Zhao Xiu, Gao Deshan, and Wang Zhongyu. Che Mingqiao, retired cadre, and Feng Ximing, director of the United Front Work Department of the provincial party committee, were invited to attend the session. Guan Mengjue, vice chairman of the provincial CPPCC Committee, presided over the session.

[Begin Guan Mengjue recording] The Fifth Session of the Fifth Jilin Provincial CPPCC Committee is now open. Let us all rise to sing the national anthem. [music] Please sit down. Now we are going to invite Liu Jingzhi, chairman of the provincial CPPCC Committee, to deliver a work report of the Fifth Jilin Provincial CPPCC Committee Standing Committee. [passage omitted] [end recording]

In his report, Liu Jingzhi spoke highly of the province's great achievements in the building of spiritual and material civilizations scored under the guidance of the party's line and principles, and affirmed the new situation in the CPPCC work brought about through strengthening party leadership.

With regard to the CPPCC work done over the past year, he said: Over the past year, under the leadership of the party committees at all levels, CPPCC organizations at all levels created favorable conditions for further creating a new situation in the CPPCC work; brought into full play their functions for strengthening political consultation and democratic supervision; and created fine work conditions for strengthening the organizational construction and helping grass-roots CPPCC organizations solve practical problems; and deeply improved the work in all fields through initiating launching meeting activities.

After reviewing the work over the past year, Liu Jingzhi expounded the current situation and the present tasks ahead of us. He said: At present a struggle for adhering to the four cardinal principles and opposing bourgeois liberalism is being carried out in the political field. The tasks ahead of us are to persist in the principles of conducting reform, opening to the outside world, and enlivening the domestic economy; and to strive to increase production and practice economy in an effort to ensure a sustained, steady, and coordinated development of the national economy. During this new year, we must focus on adhering to the four cardinal principles and opposing bourgeois liberalism to capture a success in increasing production, practicing economy, increasing revenue, and reducing expenditures; enthusiastically conduct reform and make efforts to do our work; and unite the people of all circles and arouse all positive factors to serve the work of reunifying the motherland and rejuvenating China. CPPCC organizations should further bring into play their functions of political consultation and democratic supervision, suggest ways and means to rejuvenate Jilin, enthusiastically promote the cause of reunifying the motherland, create a situation in establishing contacts with the countrymen residing abroad, grasp organizational restructuring, strengthen study and propaganda work, and further achieve organizational construction. [passage omitted]

Session Concludes

SK080512 Changchun Jilin Provincial Service in Mandarin 1030 GMT 7 Mar 87

[Text] Having satisfactorily completed all items on its agenda, the fifth session of the fifth provincial CPPCC Committee successfully concluded at the auditorium of the provincial CPPCC Committee this afternoon.

During the 5-day session, the members listened to and examined the work report of the Standing Committee of the fifth provincial CPPCC Committee; examined and discussed the written report on handling the motions raised since the fourth session of the fifth provincial CPPCC Committee; attended as nonvoting delegates the fifth session of the sixth provincial People's Congress; listened to the report by Governor Gao Dexian on the Seventh 5-Year Plan, the report on the plan for the provincial economic and social development in 1987, and the reports on the work of finance, budget, and final accounts. The members had lively discussions during the session.

The session was held in a lively manner, brimming with an atmosphere of democracy and unity. The members maintained that at present, the province's political and economic situation is very good, and the tasks ahead of the people throughout the province are arduous but glorious. So long as the people of all nationalities in all circles adhere to the four cardinal principles, persist in the open policy, reform, the invigoration of the domestic economy, and immerse themselves in hard work with one heart and one mind under the leadership of the party Central Committee, the State Council, and the provincial party committee, the tasks for this year and the magnificent goals defined by the province's Seventh 5-Year Plan will certainly be fulfilled in a comprehensive manner.

At the closing ceremony this afternoon, the members unanimously adopted the political resolution of the fifth session of the fifth provincial CPPCC Committee; adopted the resolution on work report of the Standing Committee of the fifth provincial CPPCC Committee; adopted the resolution on accepting Comrade (Ma) Hongjun's request to resign from his post as member of the Standing Committee of the provincial CPPCC Committee due to his old age and poor health; and adopted the resolution on accepting the request of Comrade (Zhang) Tienan, deputy director of the United Front Work Department of the provincial party committee, on resigning from his post as secretary general of the provincial CPPCC Committee. Comrade (Zhang) Hongkui was elected secretary general of the provincial CPPCC Committee.

Geng Yuelun, vice chairman of the provincial CPPCC Committee, presided over the closing ceremony. Zhang Fengqi, vice chairman of the provincial CPPCC Committee, spoke at the closing ceremony. He stressed three opinions on how to achieve success in CPPCC work under the new situation.

First, we should conduct various activities in close connection with the province's central task; organize the members to conscientiously study the instructions of the party Central Committee and the central leading comrades on adhering to the four cardinal principles and opposing bourgeois liberalism in an effort to enhance their ability to resist the trend of bourgeois liberalism; and mobilize the members to offer advice and make contributions to penetratingly launching the campaign of increasing production and practicing economy and increasing revenues and cutting expenditures.

Second, we should further create a new situation in the CPPCC work, effectively exploit the functional role of the CPPCC organizations in providing political consultations and democratic supervision, and rapidly create a new situation in promoting contacts with people abroad.

Third, we should give full play to the role of the CPPCC members, and raise their abilities to participate in and discuss political affairs.

Attending the closing ceremony and seated on the rostrum were Liu Jingzhi, chairman of the provincial CPPCC Committee; Zhang Dexin, Guan Mengjue, He Yunqing, Luo Yuejia, Xin Cheng, Jin Ninghan, Cai Qiyun, and Lu Shiqian, vice chairmen of the provincial CPPCC Committee; and Feng Ximing, director of the United Front Work Department of the provincial party committee.

BRIEFS

HEILONGJIANG MICROWAVE STATIONS -- Harbin, 5 Mar (XINHUA) -- Heilongjiang's radio and television department has achieved remarkable success in practicing economy in building microwave stations. Five years ago, it raised 53 million yuan to build 35 microwave stations. Practice of economy has cut the investment required for construction, and as a result, 64 microwave stations have been built with the same amount of funds. [Summary] [Beijing] XINHUA Domestic Service in Chinese 0056 GMT 5 Mar 87 OW]

QINGHAI OPENS UNITED FRONT WORK CONFERENCE

HK040329 Xining Qinghai Provincial Service in Mandarin 2300 GMT 3 Mar 87

[Excerpts] A provincial united front work conference was convened in Xining on 3 March. Wu Lianyuan, deputy director of the CPC Central Committee United Front Department; Yin Kesheng, secretary of the provincial party committee; deputy secretaries Song Ruixiang, Liu Feng, and Huanjuecailang; Ma Wanli, vice chairman of the provincial Advisory Commission; Song Lin, chairman of the provincial People's Congress Standing Committee; and Shen Ling, chairman of the provincial CPPCC, were present at the opening of the meeting.

Han Yingxuan, member of the Standing Committee of the provincial party committee and director of the United Front Department, delivered a report entitled: Consolidate and Expand the Patriotic United Front and Strive To Build a United, Well-Off, Civilized, and Prosperous Qinghai. (Cai Dan), chairman of the provincial Nationalities Affairs Commission, delivered a report entitled: Seriously Implement the Spirit of the National Conference of Nationalities Affairs Commission Directors and Do a Good Job in Nationality Work in Qinghai.

In his report, Han Yingxuan first reviewed the united front work achievements in the province and then proposed the future tasks. He said: In the future, the tasks of united front work in Qinghai are to uphold the four cardinal principles, strengthen the great unity of people of all nationalities, and develop the most extensive patriotic united front to serve the general goal of reunifying the motherland and invigorating China, and to strive to build a united, well-off, civilized, and prosperous Qinghai.

Han Yingxuan said: In future work, we must uphold the correct orientation, keep clear heads, and carry forward the fine tradition of self-education in the united front. With the four cardinal principles as the guide, we should unite all democratic parties, mass organizations, and non-party figures in all sectors to preserve and develop the political situation of stability and unity and make new contributions to the socialist cause.

In his report Han Yingxuan called on the party committees at all levels to bring into full play the important role of the united front in reform, opening up, and the drive to build the two civilizations. They should perfect and develop cooperation with the democratic parties and non-party figures, strengthen nationality solidarity, and fully understand and correctly implement the party's policy on freedom of religious belief. They should actively promote united front work overseas, do a good job in making arrangements for non-party figures, and step up investigation, study, propaganda, and education in the theories and policies on the united front. They must get a good grasp of implementing the united front policies and resolve problems left over from history. [passage omitted]

(Cai Dan) said in his report: There is still a great gap between the economy in nationality areas and in advanced areas in Qinghai. The development of nationality education, science, culture, and public health is rather slow. There are still many problems in production, daily life, education, culture, and other aspects in areas where minority nationalities live with other nationalities. (Cai Dan) said: The main tasks of nationality work in Qinghai in the future are to further strengthen party leadership over the work, conduct propaganda and education in the party's nationality policies, continue to implement the policy on autonomy of nationality areas, train minority nationality cadres, speed up the development of economy, education, and science and culture in minority nationality areas, and do a good job of building socialist spiritual civilization in those areas. [passage omitted]

SHAANXI LEADERS ATTEND OPENING OF CPPCC SESSION

HK090147 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 9 Mar 87

[Excerpts] The Fifth Session of the Fifth Shaanxi CPPCC opened in Xian on the afternoon of 8 March, Chairman Tan Weixu presiding. [passage omitted] The opening ceremony was attended by responsible comrades of the party, government, and Army in Shaanxi including Bai Jinian, Zhang Ze, Zhang Boxing, Li Lianbi, Yuan Zhengting, and Hou Zonglian. [passage omitted]

SHAANXI PEOPLE'S CONGRESS SESSION OPENS 10 MAR

HK110311 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 11 Mar 87

[Excerpts] The fifth session of the sixth provincial People's Congress opened in Xian on 10 March. [passage omitted] Present at the opening of the session were executive chairmen Zhou Yaguang, Li Lianbi, Deng Guozhong, Chen Ming, Hou Zonglian, Yuan Zhengting, Yu Ming, Liu Lizhen, He Chenghua, Wei Minghai, and Sun Kehua. Also present were responsible comrades of the provincial party, government, PLA, and CPPCC Bai Jinian, Zhang Boxing, Zhang Ze, (Zhao Huanju), and Tan Weixu; Chang Lifu, member of the Central Advisory Commission; and Sun Zuobin, member of the CPPCC Standing Committee. Executive Chairman Yan Kelun presided and declared the session open. [passage omitted]

Acting Governor Zhang Boxing delivered a work report entitled: Deepen the Reforms, Increase Production, Practice Economy, and Strive for New Victories in the National Economy and All Undertakings. The report was in four parts: 1) In 1986, the people of the province persevered in reform, united for hard work, centered their efforts on economic construction, and achieved major successes on all fronts. 2) Launch an extensive drive to increase production and practice economy and increase revenue and economize expenditure, centered on improving economic results. 3) Continue to uphold the guideline of reform and spur the development of the province's economy. 4) Uphold the four cardinal principles, take a firm and clear-cut stand in opposing bourgeois liberalization, and vigorously step up the building of socialist spiritual civilization. [passage omitted]

Zhang Boxing said: In according with the arrangements for the Seventh 5-Year Plan, the province's economic development targets for 1987 are as follows: Gross domestic product is to reach 20.41 billion yuan, a rise of 6 percent over 1986; national income is to reach 16.8 billion yuan, a rise of 5.7 percent; industrial and agricultural output value is to reach 29.85 billion yuan, a rise of 6 percent; agricultural output value is to reach 7.4 billion yuan, a rise of 4.7 percent; and industrial output value is to reach 22.45 billion yuan, a rise of 7 percent.

To successfully achieve these targets, it is essential to advocate on all fronts the social mood of waging arduous struggle, building the country with diligence and thrift, making greater contributions, and strictly observing discipline, and to launch an extensive drive to increase production and practice economy and increase revenue and economize expenditure. The general demand is to compress the atmosphere and also to get some things done. All areas, sectors, and trades must make specific arrangements for launching this drive based on their actual circumstances. It is necessary to center the effort on improving economic results, highlight the focal points, and strive for practical results. [passage omitted]

We must deepen enterprise reforms, centered on invigorating the enterprises, especially the large and medium-sized ones.

We should gradually establish production materials markets and capital markets. We must continue to promote the rural structural reforms and reforms in the structure of circulation, science and technology, and education.

While getting a good grasp of building material civilization, we must also vigorously step up the building of socialist spiritual civilization. All areas and units must seriously implement the provincial party committee's plan for the building of socialist spiritual civilization in 1987. [passage omitted]

We must uphold the four cardinal principles and take a firm and clear-cut stand in opposing bourgeois liberalization. In accordance with the plans of the central authorities and the arrangements of the provincial party committee, we must regard this struggle as a major task to be tackled this year and get a thoroughly good grasp of it. [passage omitted]

In his report, Zhang Boxing said that Shaanxi's agriculture overcame serious natural disasters and reaped a bumper harvest last year. The province suffered severe drought, and the area of summer and autumn crops affected was 34.5 million mu. Wheat midges appeared in 10 million mu of the wheat crop. In addition, there were serious shortages of chemical fertilizer, diesel fuel, and other agricultural production materials, causing serious difficulties for grain production.

Zhang Boxing said that the measures taken by the province to develop grain production included increasing agricultural investment. Investment in agriculture over the whole year was 316.65 million yuan, a rise of 27.4 percent over 1985. The province got a vigorous grasp of building up the rural science and technology services setup and vigorously popularized science and technology in the rural areas. The province revived or established a total of 1,694 township and town agrotechnology centers and popularized advanced agricultural technology over an area of 35 million mu. The province worked hard to build up 48 grain base counties and the grain and diversification base on the plain north of the Wei He, scoring notable results. The province also launched agricultural capital construction. Some 43 million yuan in capital were raised to revive, improve, and introduce irrigation over a total area of 730,000 mu. [passage omitted]

As a result of stubborn combat against natural disasters, the province reaped a good harvest in a year of great disasters. Total agricultural output value was 7.07 billion yuan, a rise of 3.7 percent over 1985. Grain output was 9.66 billion kg, the second highest ever recorded. However, grain output declined due to drought, and the year's output plan of 10 billion kg of grain was not fulfilled.

Acting Governor Zhang Boxing said that the province's industry fulfilled its tasks last year after overcoming all kinds of difficulties. At the beginning of the year, Shaanxi industry was facing difficulties of shortage of raw materials and capital and cuts in various production plans. The government and the departments in charge promptly studied countermeasures and took appropriate steps. They improved direction and control over production by sending large numbers of cadres to the frontline of the enterprises to solve problems. They also devised flexible methods for enlivening distribution and encouraging product operations. [passage omitted]

By the end of the year, the province's industrial output value was 18.31 billion yuan, overfulfilling the plan, and showing a rise of 8.1 percent over 1985. Total industrial output value, including that at village level and below, was 20.98 billion yuan, a rise of 11.7 percent.

The main characteristics of Shaanxi's industrial production performance were: There was a big increase in output of products with a ready market; product quality improved; material input dropped; notable achievements were scored in energy production and transportation; and defense industry enterprises registered new developments in the production of civilian goods.

SHAANXI RIBAO REPORTS PRESENT BIRTH POLICIES

HK061057 Xian SHAANXI RIBAO in Chinese 25 Feb 87 p 1

[Report by Yan Yongde (7051 3057 1795): "Stabilize the Birth Policies, Control Population Growth"]

[Text] Confronted with the situation in which the population base of our province was large and birth was in a peak period, the provincial conference on family planning work, which concluded on 24 February, stressed that it was necessary to continuously and strictly control population growth and to completely fulfill the quota for population control. At the conference, it was clearly announced that the present family planning policies would remain unchanged for at least 15 years.

This conference, which was held by the provincial party committee and provincial government, reiterated the present main birth policy: It is necessary to vigorously advocate marriage at a mature age, having a baby at a later age, educating and bringing up offspring well; to vigorously advocate that a couple can have only one child, that each case should be dealt with on its own merit, that guidance should be given according to each situation, and that arrangements should be made in a planned way and under supervision for couples who really have difficulties (including rural one-girl household) to have a second child; to strictly prohibit others from having a second birth and additional births which exceed the family planning quota; and to strictly prohibit marrying and having a baby too early.

These policies that are beneficial to the country and people have produced a profound social effect in our province. It has been learned that due to the implementation of family planning, there have been about 2 million fewer births throughout our province since the beginning of the 1980's. The family planning rate of our whole province last year reached 73.3 percent and was 2.87 percent higher than in the preceding year, and the number of second births and additional births beyond the quota dropped. The comrades present at the conference unanimously held that stabilizing the present policies would surely be further supported by the masses and produce even bigger social benefits and economic results.

Zhang Boxing, provincial party committee deputy secretary and acting governor, spoke at the conference. After macroeconomically and completely expounding the importance of strictly controlling population growth, he demanded that leaders at all levels take the overall situation into consideration, establish the idea of simultaneously building "two civilizations" and grasping "two kinds of production," and take measures to do well in firmly grasping this work. Otherwise, he said they were not qualified leaders. He demanded that party committees and governments at all levels grasp this work well as they did economic work, do several practical things for the family planning front every year, and support and help departments concerned to solve some practical problems. All levels must implement the system of contracted responsibilities for population. It was essential to firmly grasp the building of township and town service centers, to conduct training, and to improve the quality of the family planning ranks.

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The conference also proposed that beginning this year, our whole province should carry out the activities of scoring achievements in family planning and fulfilling the quota for family planning and that the provincial party committee and provincial government should issue certificates and present prizes to those who are checked, accepted, and found qualified.

Tao Zhong, provincial party committee Standing Committee member and Scientific Education Department director of the provincial party committee, conveyed the spirit of the national conference on family planning work, and provincial People's Congress Standing Committee Vice Chairman Liu Lizhen and Vice Governor Lin Jizhou also spoke at the conference.

Comrades from Xianyang, Mianxian, Nanzheng, and Fufeng Counties reported their experiences in firmly grasping family planning work.

XINJIANG COMMENTARY URGES AGRICULTURE INVESTMENT

HK090909 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 8 Mar 87

[Station "short" commentary: "Increase Investment in Agriculture To Ensure Increased Output"]

[Text] To develop agriculture, we should not hesitate to invest. It is true that more investment yields more output. In recent years many peasant households in many areas of our region have proceeded in this way and achieved very good results.

However, some peasant households in some areas have failed to understand the importance of increasing investment in agriculture to ensure sustained agricultural development. As a result, almost no progress has been made in farmland capital construction in those areas and many water conservancy projects can hardly resist droughts and floods because they have long been out of repair. Meanwhile, land in some areas is dying day by day because peasant households have not devoted much time to soil improvement but developed production as plunderers. Consequently, they have had not only crop failures but no good harvests.

In order to strive to increase agricultural production in the region year after year, we must pay attention to increasing agricultural investment. This year the state will increase agricultural investment to build a number of key water conservancy projects. At the same time, all localities should arouse the enthusiasm of peasant households and all the relevant trades in increasing investment in agricultural production. Peasants must be taught how to correctly handle the relationship between accumulation and consumption so as to invest more money in expanded reproduction. The term of contracting land, orchards and mountain forests should be relatively extended so that peasants will be able to keep their minds on agricultural production. Departments in charge of agriculture and scientific research, banks and supply and marketing cooperatives should provide peasants with the best service.

KMP, DPP AGREE TO HOLD MONTHLY CONSULTATIONS

OWO90906 Taipei CHINA POST in English 5 Mar 87 p 12

[Text] The ruling Kuomintang and the opposition Democratic Progressive Party [DPP] reached an agreement Tuesday to hold talks on legislative affairs once every month and additional meetings if necessary.

Three KMT and three DPP legislators attended a luncheon at the Lai Lai Sheraton Hotel in Taipei to exchange views on screening the draft of the National Security Law and the central government budget.

Both sides agreed to complete Legislative Yuan interpellation and the screening of the central government budget by the end of March and May respectively.

The KMT proposed to begin screening the National Security Law starting next Monday, while the DPP said public hearings should be held before the law is enacted.

The six legislators participating were Hsu Sheng-fa and Liang Su-jung, both deputy secretaries general of the KMT Policy Coordination Committee; Chou Mu-wen, secretary general of the KMT branch in the Legislative Yuan; Fei Hsi-ping, the DPP's convener in the Legislative Yuan; Hsu Jung-hsu, its deputy convener; and Chang Chun-hsiung, secretary general of the DPP committee.

DPP URGES ALLOWING MAINLANDERS TO VISIT RELATIVES

OWO81215 Taipei TZU LI WAN PAO in Chinese 3 Mar 87 p 2

[Text] The Standing Committee of the Democratic Progressive Party [DPP] Central Committee yesterday authorized the creation of a panel to promote a "return home to visit relatives" campaign.

This campaign is intended to help mainlander compatriots residing in Taiwan, Taiwan fellow townsmen residing on the mainland, and fellow townsmen residing overseas gain the right of "returning home to visit relatives." The panel, made up of Yu Ching, Kang Ning-hsiang, Hung Chi-chang, Yu Hsi-kun, and Chiu Yi-ren, will draw up a draft plan for examination and measures for implementation.

In a written interpellation, Legislator Hsu Jung-shu pointed out today that the ruling party should make suitable changes in its "mainland policy" by lifting the ban and permitting a limited number of mainlanders to return to their hometowns to visit relatives. This will not only help strengthen natural bonds and ethical relations among family members, but also constitute a head-on campaign against the Chinese Communist united front.

Hsu Jung-shu said: Recently more and more retired servicemen and mainlanders have unanimously expressed their strong desire to return home to take part in rites to honor ancestors; attend family reunions; or simply to return, die, and be buried in their hometowns. This sort of homesickness is even more noticeable on festive occasions and at family get-togethers. The separation between family members is indeed a tragedy for all Chinese of this generation.

She pointed out: The ruling Kuomintang has repeatedly prohibited mainlanders residing in Taiwan from returning to the mainland to visit relatives, or from corresponding with their relatives, on the pretext of "preventing our countrymen from inadvertently falling into the united front trap set by the CPC. But times have changed. At present, mainland compatriots living on either side of the Taiwan Strait have established contacts through various channels and have corresponded with each other through a third country. Some of them have even gone back to the mainland directly from abroad to visit relatives. All this is an open secret. According to a conservative estimate, every year more than tens of thousands of mainlanders go back to the mainland from abroad to visit relatives. These mainlanders who now reside in Taiwan followed the KMT government to Taiwan because they were dissatisfied with communism. These hundreds of thousands of soldiers and civilians are de facto "righteous anticommunist people." Most of them are retired or have grown senile now. Is the ruling KMT still afraid that they will be fooled by the CPS's "united front?"

Hsu Jung-shu suggested that lifting the ban and allowing a limited number of mainlanders to go back to the mainland to visit relatives will help strengthen natural bonds and ethical relations among family members; that by doing so we will be carrying on a head-on "anti-united front" campaign against the CPC and among our compatriots on the mainland; and that it will also be a major breakthrough in our present political situation.

PREMIER ON REUNIFICATION BY FREEDOM, DEMOCRACY

OW061834 Taipei CNA in English 1450 GMT 6 Mar 87

[Text] Taipei, March 6 (CNA) -- The Republic of China [ROC] is confident of reunifying China through the Three Principles of the People which feature freedom and democracy and will never change its anti-communist policy, Premier Yu Kuo-hua told the Legislative Yuan Friday.

Responding to an interpellation by Legislator Hung Chao-nan, Yu said that the anti-communist policy is necessary to ensure the ROC's survival. The ROC would have been communized long ago if it had stopped its operations against the Chinese Communist regime or given up its anti-communist mission. The ROC Government has spared no effort in promoting democracy despite the many problems it has encountered over the past 40 years. As a result of the implementation of democracy, the ROC's economy is progressing so rapidly that it has stimulated the demand for reforms on the China mainland, he said. Whether the ROC can succeed in furthering its democracy depends on the government's determination and consensus among the people. Since the government is determined to further democracy, the people should also do their best to protect the nation's democratic system.

The government has the responsibility of maintaining national security and social stability while protecting the people's interests and enhancing the people's well-being. Only when the people can reach a consensus on democracy can the prosperity and stability of the society be maintained, Yu said.

BREAKTHROUGH SEEN IN MISSILE LAUNCHER PRODUCTION

OW070619 Taipei CHINA POST in English 3 Mar 87 p 12

[Text] The state-run Taiwan Machinery Manufacturing Corp. has made a breakthrough to produce missile launchers, boosters, and other sophisticated military devices, an official of the corporation revealed yesterday.

The corporation and the Chung Shan Institute of Science have jointly produced launchers for the Chung Cheng 100 missile, formerly known as the Sky Bow missile, to strengthen combat power, the official said. Meanwhile, the corporation will continue its efforts to develop new steel products for civilian use, the official added.

ANTISUBMARINE AIRCRAFT TO BE UPGRADED

OW070951 Taipei CHUNG YANG JIH PAO in Chinese 3 Mar 87 p 1

[A Military Information Service report]

[Text] Taipei, 2 Mar -- The Executive Yuan said today: Due to the fact that the menace posed to the Taiwan Strait by Chinese Communist submarines is mainly in the Keelung and Kaohsiung sea areas, there is a definite need to upgrade antisubmarine facilities in order to ensure smooth sea transportation.

The Executive Yuan made this remark in a written reply to an interpellation by a legislator on upgrading the performance of S-2 antisubmarine aircraft.

The Executive Yuan pointed out: Except for the Penghu Channel and the Formosa Reef, which are shallow water areas, the rest of the Taiwan Strait -- 10 nautical miles from the coasts -- has an average depth of 40 to 80 meters, with a fairly flat seabed. Although it does not provide the best conditions for submarine activities, this sea area can still be used by Chinese Communist submarines to blockade and attack Taiwan and the offshore islands.

The menace posed to the Taiwan Strait by Chinese Communist submarines is mainly in the Keelung and Kaohsiung sea areas, totalling 11,000 square nautical miles. In order to ensure smooth sea transportation, the Executive Yuan deemed it necessary to upgrade antisubmarine facilities.

The Executive Yuan also emphatically pointed out: An upgraded S-2 aircraft will be similar to a P-3 in terms of antisubmarine capability. Although its range is shorter than that of the P-3, it still meets Taiwan's requirements against communist submarines in terms of operational radius.

MARKET OPENING TO INCREASE DUE TO U.S. PRESSURE

OW090856 Taipei CHINA POST in English 6 Mar 87 p 12

[Text] Further appreciation of the New Taiwan dollar appears inevitable, but the Republic of China [ROC] will continue to open its markets and lower import tariffs to give the United States little excuse to pressure it to sharply revalue its currency, Administrative Vice Economics Minister Wang Chien-shien said yesterday.

Continued appreciation of the local currency seems inescapable judging from the current world economic situation and U.S. pressure in future Sino-American trade talks, Wang said.

The ROC will give in to U.S. demands by further opening its markets to U.S. commodities and liberalizing domestic service industries in a bid to head off U.S. pressure on the ROC to revalue its currency, the vice minister said.

Allowing foreign companies to invest here will lead to an improved local service sector, he said.

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The ROC has made substantial efforts to open its market to U.S. products, Wang said, and the local currency has also appreciated by more than 10 percent against the greenback.

In future trade talks, Chinese delegates will refresh the memory of their American counterparts on the ROC's efforts to reduce its trade surplus with the U.S. in the hope that the U.S. will not pressure the ROC to further revalue its currency, the vice minister said.

The ROC enjoyed a trade surplus of U.S. \$16 billion against the U.S. last year.

MEASURES PLANNED TO BEAT TRADE PROTECTIONISM

OW091015 Taipei CNA in English 0952 GMT 9 Mar 87

[Text] Taipei, March 9 (CNA) -- The government will adopt three measures to cope with rising international protectionism and meet with the government's policy of diversifying overseas markets, economic and trade officials reported.

The three measures will be carried out shortly through government related agencies, they said.

According to the officials, the government has been gradually switching from emphasis on exports to emphasis on both imports and exports to promote bilateral investment, expand imports service, and develop raw material resources.

To help diversify the country's markets throughout the world, the government will send delegations overseas, the officials said.

To expand importing of services which will help counter rising protectionist sentiments in the United States and Europe, import service information centers will be established abroad and trade missions will be sent to certain countries.

To promote imports of raw materials and cope with possible protectionism in the Third World, procurement missions will also be dispatched overseas.

PREMIER REITERATES ATTITUDE ON OVERSEAS CHINESE

OW110359 Taipei CNA in English 0314 GMT 11 Mar 87

[Text] Taipei, March 11 (CNA) -- Premier Yu Kuo-hua said Tuesday that Overseas Chinese are always welcome to return to their free motherland and that the ROC [Republic of China] Government is doing its best to facilitate their return.

Yu said, however, that the government still has the right to refuse entry to those who publicly advocate the Taiwan Independence Movement or who try to overthrow the government by violent means or to undermine social order here.

Yu made the remarks in answering interpellations by legislators concerning the government's attitude toward Overseas Chinese.

HONG KONGEDITORIAL ON 'HIDDEN BENEFITS' OF SHULTZ TRIP

HK110205 Hong Kong SOUTH CHINA MORNING POST in English 11 Mar 87 p 22

[Editorial: "Hidden Benefits of Shultz' Asian Visit"]

[Text] The continuing revelations about the Iran arms sales affair are bound to limit the effectiveness of President Reagan in the last two years of his administration. But at least some damage control has been instituted, namely the appointment of respected professionals such as Frank Carlucci to head the National Security Council and Howard Baker to replace the contentious Donald Regan as chief of the White House staff. The recent low-key but successful visit of the American Secretary of State, Mr George Shultz, to Hong Kong, China, South Korea, and Japan, is evidence of some continuity from the promising initial years of the Reagan presidency.

Despite its size, the U.S. Government has room for at most only one or two crises at a time. Asia should be thankful for a certain benign neglect by the Reagan administration, in view of what can happen when the United States gets really interested. The problems over the Iran arms sales and the diversion of funds to the contras stems from the Republican Party's long obsession with a perceived communist threat from Nicaragua, and the White House's misjudgement of Middle East affairs.

The U.S. of course continues to have vital interests in Asia, not only in the geopolitical sphere, but in trade and investment. Asian productivity and increased competitiveness in world markets set against a U.S. economy structurally weakened by overspending, undersaving, and an unwillingness to endure a limited period of lower living standards to restore America's inherent economic strengths, occasionally brings unwelcome attention to the region. The Jenkins Bill and other protectionist measures are good examples.

Mr Shultz has managed to retain a certain credibility as principal spokesman of foreign policy at a time when other nations are wondering whether Washington has one. His "sins" in the arms sales affair were those of omission: He should have acted more forcefully against what he knew was going on. Prior to his recent visit to China, much was written about what he was going to tell the Chinese and what he might find out about recent political developments there. It is quite likely that the Chinese, still not quite sure what Watergate was about, wanted to sound out a senior Reagan administration official regarding the implications of Irangate on the direction of U.S. foreign policy.

Now that more than a decade has passed since the end of American military involvement in Indochina, the balance of power in Asia seems once again to be shifting, perhaps significantly. Mr Gorbachev's speech last year in Vladivostok openly affirmed a Soviet interest in Asia (ostensibly wider and more pacific than its occupation of Afghanistan), its support for the Vietnamese occupation of Kampuchea, and a substantially increased naval presence in the South Pacific and Indian Oceans. His visit to India and a planned visit to North Korea augurs a deeper, perhaps more subtle Soviet involvement in this region than any of his predecessors.

There are powerful factors of self interest to bring Moscow and Beijing closer, after years of hostility. Mr Gorbachev's desire for economic reform requires a reduction in military spending. Thus he is daring enough to seek a meaningful disarmament agreement with the U.S. [paragraph continues]

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A de-escalation of tensions with China could reduce if not eliminate the military threat to the Soviet Union's Maritime Provinces and Siberia, thus saving some defense costs.

The Chinese stand to gain considerably by "setting aside" their major points of contention with the Russians -- the presence of large military forces, including tactical and strategic nuclear weapons, on their common border; Soviet support of the Vietnamese, especially their occupation of Kampuchea; and the invasion and occupation of Afghanistan. They can position themselves more equidistantly between the Russians and the Americans, giving Beijing greater diplomatic flexibility. Given the high cost of modernization, not only in hard currency but in the unanticipated effects of imported Western ideas, the Chinese can import Soviet-bloc plants and technology potentially at less cost.

Mr Shultz's visit to Asia may have confirmed for him these developing trends. By praising Hong Kong's free enterprise industriousness; warning China about backing off from economic reforms; and cautioning South Korea to allow responsible political dissent, some important American wishes have been reaffirmed. If the U.S. Government, particularly the Congress, can maintain the same tone of reasonableness toward these and other objectives which seem beneficial to all parties, than any undesirable effects from a shifting balance of power in the region should be minimised.

NEW THREAT POSED BY U.S. PROTECTIONISM BILL

HK070148 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST SUPPLEMENT) in English
7 Mar 87 p 8

[By Michael Murray]

[Text] The textiles bill recently introduced in the U.S. House of Representatives poses a threat to Hong Kong equal to that of last year's Jenkins Bill, Director of Trade Hamish Macleod said.

He said the exact effects the bill would have if passed could not be quantified because it did not detail the means by which restraints on the growth of textile imports would be implemented.

"They have stated the aim of the bill, but not the means," he said. "The bill is cleverly silent on how this very broad aim will be achieved."

Whereas the Jenkins Bill called for rollbacks of up to 30 percent of exports of textiles from Asian countries to the United States, the new bill specifies only a global import growth rate of one percent on a product by product basis.

Mr Macleod said this would inevitably result in rollbacks. Though Hong Kong's textile exports to the United States are allowed to grow by an overall rate of one percent a year, he said some product categories had higher growth rates.

The bill has been presented by its sponsors as a more moderate bill than the Jenkins Bill.

Mr Macleod said the likelihood that Congress would enact general trade legislation this year could weaken support for the textiles bill, as some of those who voted for textile legislation last year did so to protect lack of action on trade in general.

"Those whose real aim is to tackle the general trade problem now have a vehicle through which they can tackle it," he said.

Three general trade bills have been introduced into Congress recently.

The Reagan administration's Trade Employment and Productivity Act stresses the need to increase the competitiveness of U.S. businesses and to retaliate against unfair practices in other countries.

A Senate bill also emphasises competitiveness. But Mr Macleod said the House Omnibus Trade Act was more extreme than the others, as it seeks to limit presidential discretion in dealing with trade matters. It also contains harsher language on ways of dealing with countries with large trade surpluses with the United States.

Mr Macleod said that as only one trade bill would eventually become law, the three would have to be merged in a compromise bill.

Despite the threat of the textiles bill, he said that, overall, he was still optimistic about the atmosphere in Washington this year.

"There has always been a danger that frustration, particularly at Japan and the trade deficit, might result in some rather extreme and crude measure," he said. "It is now a more reasoned debate. [no closing quotes as published]"

OVERSEAS INVESTMENT IN HONG KONG INCREASING

OW102018 Beijing XINHUA in English 1614 GMT 10 Mar 87

[Text] Hong Kong, March 10 (XINHUA) -- Overseas investment in Hong Kong's manufacturing sector has risen sharply in recent years, K.Y. Yeung, director of industry of the Hong Kong Government, told a luncheon meeting today.

The value of such investment reached 500 million H.K. dollars (64.1 million U.S. dollars) in 1986, compared with only 12 million in 1983, Yeung said, quoting statistical data on the manufacturing sector in respect of projects facilitated by the Industry Department.

He used these data and some others to argue against the claim that Hong Kong has a persistent pattern of disquiet reflected in the hesitant pace of investment and sustained capital outflow.

"A serious lack of confidence in the future of Hong Kong's economy would be quite inconsistent with the trend of inward investment (i.e., overseas investment) in recent years," he said.

"Moreover, the quality of that investment has been improving over the years, as evidenced by the increasing application of quality control, the increasing willingness to carry out product design locally and an increasing number of joint ventures, which is indicative at least of a willingness to share new product and process technologies with local manufacturers," he added.

He said these are encouraging signs of growing confidence in Hong Kong on the part of overseas manufacturing investors.

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